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THE FINANCIAL POST

The Canadian Newspaper for Business Men and Investors

Canadian Mining News Department Page 20

Vol. XXIV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 3, 1931 | 10c a Copy; $5.00 a Year | No. 40

The Nation's Business

The Penalty of Extravagance
Canada Off Gold Standard
Polite Fiction is Futile and Improper

Canada and the Gold Standard

CANADA is still technically on the gold standard, or at least it is as this is written. The obvious impossibility of maintaining this polite fiction in the face of hard facts is beginning to penetrate even into the inner circles at Ottawa and it is not impossible that, before this issue of The Financial Post has been distributed to all of its readers, Canada will have suspended gold payments and prohibited the export of gold except under government licenses to be very sparingly granted. No country's currency depreciates by twelve per cent in another market so long as it has ample gold to meet all of its obligations. And it has not ample gold to meet all its obligations when a "gentlemen's agreement" puts a stop to the flow of gold. For Canada to be off the gold basis and yet to profess to be maintaining gold payments brings many anomalies into the situation besides having the discreditable feature of putting on the country a false front that fools nobody. Sharpshooters are able to gain small but significant advantages at the expense of less well-informed or perhaps more patriotic citizens.

* * *

EVENTS of the past ten days emphasize how seriously wrong the prime minister was when he announced—on the eve of Britain's suspension of gold payments—that Canada was on a gold basis and intended to stay there—and when he thus, by inference, undertook to restore the Canadian dollar, then at a discount of two or three per cent, to par again within a few days. Again, in that incident, was emphasized the fact that Mr. Bennett is carrying a load beyond the ability of any man living to carry without more assistance and advice than the prime minister is ever willing to accept. Mr. Bennett needs at once the firm guiding and friendly co-operation of an able minister of finance. Such a minister would not have rushed into print with a promise of the maintenance of the gold standard before studying the implications of Britain's action.

With the prime minister's earnest efforts to explore every possible channel of escape from gold suspension there will be general sympathy. But the weight of banking advice is against artificial measures of support which would be certain to prove costly to the treasury.

* * *

IF CANADA is going to be off the gold standard let us be off officially and for such period as events may dictate. These events are in the future. But probably Canada will be off gold as long as Great Britain is.

Canadian gold mines are turning out gold now at the rate of a million dollars a week, practically all of which will be available to help maintain our gold reserves above minimum requirements and to enable us to avoid an internal currency crisis. Never were our gold mines more valuable to us than they are today. Never were they more valuable to the British Empire.

* * *

THE decline in the Canadian dollar has far-reaching consequences. Its immediate effect on some of our industries—gold mining, pulp and paper production, etc.—is favorable for they market their goods either in the United States or in United States dollars. Other industries benefit through the higher protection afforded against imports from the United States. Still other industries selling chiefly in Britain and on the Continent find that the decline in our dollar offsets in large measure the disadvantage that the decline in British and European currencies has created for them in foreign markets. These effects are obvious and have been freely quoted.

* * *

ALONGSIDE these favorable implications are serious difficulties. Our cities and provinces have early maturities in New York estimated at around $200,000,000 which must be met on the dot when they fall due and with New York funds. One of the Canadian provinces borrowed $20,000,000 in short term notes in New York just before the Canadian exchange dropped and its transaction stands it a heavy loss already. It is the insistent and immediate needs of these short term borrowers that Mr. Bennett has uppermost in his mind in his attempt to stabilize our dollar. They will have to obtain extensions or new loans. Here is the rub. New York is not freely lending to Canadian government borrowers now. Frankly speaking, some New York bankers at least are a little bit afraid of Canada now. As they survey the terrific potential burdens some of the provinces have assumed in connection with social and political experiments such as public ownership, government guaranteed wheat marketing, even unemployment relief, they question our ability to meet

(Continued on page 2, col. 6)

"Soo" Bond Interest Not Being Carried By Canadian Pacific

Controlled Unit in U. S. Meeting Own Charges

OUTLOOK FOR C. P. R.

Probability of Earning All Charges This Year Uncertain at Present

From Our Own Correspondent

MONTREAL.—Canadian Pacific Railway Co. has not been called upon to make good its guarantee of interest on some $80,000,000 of securities of its controlled company, Minneapolis, St. Paul and Sault Ste. Marie Railway, which has been reporting deficits from month to month this year.

The Financial Post is officially informed that the Canadian Pacific has not been called upon to meet interest payments on the Soo securities involved, nor has it been intimated that such a call would be made. It is further stated that any deficit between earnings and interest charges on the Soo obligation will be made up out of that company's surplus this year.

For some time financial circles have been giving considerable thought to the possibility that the Canadian Pacific would have to assume its obligation in respect to the controlled company. The amount of money involved, in case the C. P. R. had to meet the obligation in full, would have an important bearing upon the company's own revenues.

C. P. R. Income Lower

For the first eight months this year, the Canadian Pacific Railway reported gross earnings of $93,704,191. This was $22,644,441 less than in the then corresponding period of 1930. Operating expenses this year, however, have been cut by nearly $18,000,000, leaving net operating income at $13,396,549, or $4,736,777 under the figure reported for the initial eight months of 1930.

For all of last year the company reported a net operating income of $38,248,658. This, in turn, was about $5,000,000 below the 1929 mark. Added to the operating profit was a special income of $20,042,923, bringing the total net revenue up to $58,291,581, which was sufficient to cover all charges, including dividends on the ordinary stock, and to leave a surplus of $133,186.

Revenue For Dividends

The sharp decline in earnings again this year, has given rise to doubt of the company's ability to cover current dividends on the ordinary shares. The cut in dividends from $2.50 to $1.25 a share on May 1 lightened the load, but even on the lower basis, it is questionable as to whether or not dividends will be covered in 1931.

There will be no increase in fixed charges for the current year. No further bonds or equipment trust certificates have been issued. The amount of preferred stock outstanding, totalling $129,348,588 at the end of 1930, will show a slight increase as a result of the recent formation of Canadian Australasian Line Ltd., which deal was effected through the transfer of stock rather than cash.

No Stock Issued

It will be recalled that at the annual meeting last spring shareholders approved the issue of an additional $50,000,000 of ordinary stock in such amounts on such terms and at such times as the directors might decide from time to time. It is officially stated that none of this stock has been issued.

Short-term Financing

Some short-term financing has been carried out by the Canadian Pacific this year. The amount is relatively small and arrangements have been made to take care of it on maturity.

Charges Are Less

With no change in fixed charges, a slight increase in preferred stock dividends; and a substantial cut in dividends on the ordinary stock, the company will be called upon to meet charges totalling roughly $45,540,488 for 1931, provided that the next quarterly dividend is paid

(Continued on page 2, col. 5)

Can. Malting Report Now Being Prepared

In about three weeks Canada Malting expects to be able to make public its financial statement for the year ending August 31, 1931. For two years earnings have been under or close to dividend payments after adequate depreciation, and it is encouraging that the dividend at the rate of $1.50 annually is still being paid. The last payment was on September 15 when approximate results of the year were before the directors.

Much depends on whether business improves in the remaining months of 1931, but it is encouraging to note that the company's earnings were only slightly below dividend requirements. Export trade brightened during the summer and the effect of exchange depreciation on this is now being studied.

TO LIFT RAILS MANY AREAS IF PARALLEL

Recommendation Inevitable That This be Done

From Our Own Correspondent

MONTREAL.—For eight years Canadian railways have labored under the handicap of political influence. The troubles which have consequently arisen bear heavily upon the two major systems and present a problem which is in immediate need of solution.

Considerable encouragement is taken in railway circles from the assurance that a Royal Commission will be appointed to investigate the whole Canadian railway situation and to recommend to the Federal Government the manner and means whereby the present deplorable conditions can be adjusted and the railways placed on a sound basis. The problem is now of national concern.

In the personnel of the proposed commission, which will consist of 5 or 7 members, business leaders here hope political partisanship will have no place. The opportunity they feel now presents itself of arriving at a solution or solutions to the problem and they are of the opinion that the Commission should be limited in size, composed of men versed in finance and transportation, and free of political henchmen.

One American Executive

Several names have already been mentioned as possible appointees to the Commission. Sir Joseph Flavelle, Sir Thomas White, Sir Henry Drayton are among the Canadians most frequently named.

The Financial Post is reliably informed that the commission will number among its members a prominent American railway man. It is suggested that railway operating conditions in Canada being much the same as in the United States, that a recognized expert from that country would lend strength to the commission. At the same time the heavy investment of Americans in Canadian railway securities makes it necessary that that group should be represented.

There is also likely to be an English nominee to represent the heavy investment interest in the Canadian Pacific Railway, as well as in the Canadian National Railways. This representative will be selected on account of his financial ability, rather than for his knowledge of practical transportation.

Both the Canadian Pacific and Canadian National may be represented on the board, though this is doubtful at the moment. It is felt that representatives of the railway should be free to voice their opinions before an independent tribunal and that the decision of the Commission should not be influenced by

(Continued on page 2, col. 4)

SALES PLANS OF SIMPSON'S AGGRESSIVE

Dividends Paid and Earned—Important Period Ahead

REDUCING COSTS

Company Retains Full Personnel—Awaits Results of Next Six Months

Experience of Simpson's, Ltd., in the first six months to July 31 of its present fiscal year, was satisfactory in view of present business conditions. Physical volume of sales continued ahead of the same period in 1930, although declining prices of goods sold made the dollar volume less.

From the fact that dividends were paid on the 6½ per cent preference stock and the Class "A" no par value shares on August 1 it is evident that directors considered net profit sufficient in this period to justify continuance. Because, however, Simpson's made a 10 per cent cut in salaries recently, beginning with higher executives and managers of departments, there has been some uneasiness among investors lest this indicated a situation which might later involve a lowering of dividend payments.

Visibility is Poor

Visibility as to business prospects for the next six months is too doubtful to justify even a tentative prophecy as to the dividend policy of any company for six months ahead. Those facts, however, which can be seen are not depressing. Simpson's has had signal success in its efforts to keep up volume of sales during the period of depression, although the prolonged hot weather during September has delayed activity in filling fall needs. It has maintained dividends intact on the basis of earnings more than sufficient for the purpose. The last six months of its fiscal year constitute usually the heavy selling and earning period of the company. This was true of the last six months of the year ending January 31, 1931, despite the depression. The Christmas season's sales broke all previous records.

Buying Public Will Decide

Once again merchandisers face a Christmas season of unknown potentialities. The buying public will decide. In the final event sales may be found high again because of the effort everyone makes at Christmas time to put aside all influences of a sordid or depressing character, but no one can be absolutely certain. Retailers are no more immune from the effect of general untoward influences now playing on world affairs than any other class of business. All these things will have a bearing on earnings and therefore on dividend policy.

Keeps Whole Personnel Employed

In common with other large organizations, both merchandising and manufacturing, Simpson's has found it advisable to give the most serious consideration to the most important elements in getting costs into relationship with declining prices, including labor costs. Organizations which have found it advisable to reduce labor costs have taken various methods to get this result. Some have reduced staffs, others have reduced hours or days of work, keeping up rates of pay but reducing actual amount paid. Simpson's decided to cut all salaries and wages by 10 per cent but to keep the whole staff on the job so that service to customers would be fully maintained.

Profits Will Govern Dividends

From the investment point of view this decision can be regarded in two ways: first, it makes an important reduction in costs; and second, is shows that the management believed such a reduction to be advisable.

What about the immediate future? The purchasing power and psychology of the consuming public will be the determining factor. Ahead of time these cannot be judged accurately. All that can be said now is that Simpson's appears to be leaving no stone unturned to make itself as large and active a medium as possible between producers and consumers. It has had consistent and growing success for many years in this field and it has expanded its stores and services to this end in most aggressive fashion in 1930 and 1931.

Expanded Aggressively

Simpson's opened in Montreal in 1930 in place of the old John Murphy store a complete and splendid department store. It has changed over its mail order department, choosing goods with most immediate appeal and sending bi-monthly catalogues throughout Canada so that the rural or town buyer can get almost as quick service as the urban. Actual results in dollars and cents of these two ventures have not been made public. Their importance in the Simpson scheme of things is more in what they may develop into in the future than in what profits may be at present. It is understood, however, that the company has made an actual saving in current costs on the new catalogue plan with the added advantage that styles and patterns and prices are adjusted six times a year on the new plan instead of twice.

Has Difficult Problems

Simpson's, of course, meets the difficulties met by every retailer: buying power is made lower with every addition to the ranks of the

(Continued on page 2, col. 3)

Business Paper Editors Find Inventories Low in Canada; Cutting of Costs Order of Day

Canadian Companies Increase Efficiency Now in Order to Benefit from Improvement in Trade When It Comes

MOST CONCERNS SHOW PROFIT BALANCES

Despite Generally Decreased Volume of Turnover, Expense Reduction Has Avoided Excessive Red Ink Balances — Forty Experts Make Survey

Business in Canada continues to pass through a period of readjustment. Volume of trade in most lines is below that of 1930; almost without exception in every field it is below in dollar totals although a few fields report an increase in physical turnover of goods.

Wholesale and retail prices have responded to a very broad extent to the general liquidation in commodity prices although the period of price reductions is not at an end. Inventories are, in most lines, in good shape. Hand-to-mouth buying in recent years has prevented large accumulations of goods in the hands of wholesalers and retailers although stocks are much higher in the hands of producers and manufacturers.

The higher tariffs and the strict application of anti-dumping legislation have tended to hold up business in numerous fields where there would otherwise be a serious decline in volume and have increased activity in a few fields.

Operating costs are being met by a large proportion of Canadian companies and a goodly number are making good profits. Increased efficiency is the order of the day and every avenue of cost-reduction is being explored. Retailers find it difficult to get costs down to where they want them.

These are some of the chief conclusions to be drawn from a survey of business conditions in Canada made by two score editors of leading Canadian business publications. The specific reports relating to the different fields covered by these publications appear in The Financial Post this week, together with a summary analysis covering such specific points as price trend, inventories and tariff effects.

Business Editors Know Their Field

Business newspaper editors are key men in their fields. Through constant contact with all the phases of their particular industries they have their fingers on actual conditions.

President Hoover has in recent years depended upon United States business paper editors for his specific reports on conditions in individual industries and trades. He holds regular conferences with business paper editors.

On the whole, there is no tendency either to optimism or pessimism in the reports received and assembled by The Financial Post in this survey of Canadian business conditions. Most of the editors are content to state conditions as they are without veneer. Forecasts have

(Continued on page 12)

Goodyear in 1931 Keeps Up Profits

C. H. Carlisle, president and general manager, Goodyear Tire & Rubber Co. of Canada, states in a letter to shareholders that a satisfactory profit was made each month of the quarter ending September 30. He anticipates that the close of the fiscal year on December 31 will find the company's profit as satisfactory as that of a year ago.

Mr. Carlisle points out that the Canadian rubber industry as a whole during the first nine months of the year has had a decrease of 24.9 per cent as compared with the same nine months of 1930.

GOLD ACTION GIVES WORRY AT OTTAWA

Opinions Differ as to What Action Government Will Take

From Our Own Correspondent

OTTAWA. — While many Canadian bankers hourly expect that announcement of Canada's formal abandonment of the gold standard to be made from this city, opinion here holds firmly to the belief that Canada will do nothing of the sort and that on the contrary a heroic effort will be made on the part of the government to bring the Canadian dollar back to par.

For ten days, the federal government has been trying to bring order out of chaos occasioned by the fall of the British pound and the Canadian dollar. Not for a decade have events of such importance to trade and finance marched with the rapidity of the past fortnight.

In regard to trade, the fall of the British pound not only upset the British preferential tariff, but exposed the Canadian market to all the depreciated currencies of the world. In 1922, after years of study of the depreciated currency problem, the late Hon. W. S. Fielding put this clause into the Customs Act:

"In the case of importations of goods the manufacture or produce of a foreign country, the currency of which is substantially depreciated, the value shall not be less than the value that would be placed on similar goods manufactured or produced in Great Britain and imported from that country, if such similar goods are made or produced there."

New Amendment Reviewed

The idea behind this amendment was that the British pound presented an unchanging unit in a world of changing currencies. But in the last few days, the fall of the pound has demonstrated that even this measure of protection cannot be relied upon. To meet the situation, another clause in the Customs Act has been availed of, by which the yardstick for measuring import values is the Canadian dollar. Where currencies are depreciated the Canadian dollar rules. Where they are at a premium the foreign currency rules. It may take a few weeks to smooth out the difficulties always encountered in a change of this kind, but thereafter Canadian manufacturers should have little to worry about in regard to foreign depreciated currencies.

The decline in the value on the New York market of the Canadian dollar, however, is causing acute anxiety to the government, particularly to Rt. Hon. R. B. Bennett who

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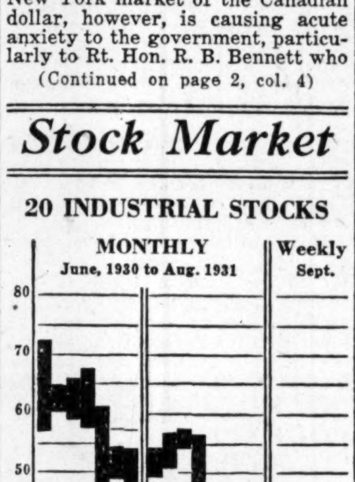
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Sept. 29	35.4	33.8
Week of Sept. 22	38.2	33.8
Month of Sept., 1930	68.3	57.7
8 Bank Stocks		
Week of Sept. 29	217	216
Week of Sept. 22	219	216
Month of Sept., 1930	263	252
10 Public Utilities		
Week of Sept. 29	59	57
Week of Sept. 22	61	57
Month of Sept., 1930	96	86

LOBLAW STORES MAY SELL MEAT IN NEAR FUTURE

Will Test Demand For Cellophane Wrapped Cuts in New Store

With the opening of a new store at Gerrard and Woodbine Ave., Toronto, on October 2, Loblaw Groceterias Co. will offer a full line of cellophane-wrapped, ready-cut fresh meats in addition to the regular lines carried in its other stores and if public acceptance comes up to the expectations of officials of the company a line of fresh meats will be offered in a large number, if not all, of the stores operated by the company.

The Loblaw method of handling meat will differ materially from that used in other chain food stores and is particularly adapted to the class of patrons served in the Loblaw stores. Standard cuts of high quality will be sold with all waste removed. Wrapped in cellophane, the cuts will be protected and will keep fresh for a longer time. Charts showing the source of every cut will enable the housewife to make a careful selection while literature will be provided which will indicate the use to which the various cuts can be used to best advantage.

Carefully Planned

Special cases are being used to maintain the fresh meats at a standard temperature in the store and the meat will be held at this temperature throughout the period from the time the meat is purchased at the packing plant until it is sold to the consumer. The meat will be cut, boned and wrapped at the Loblaw warehouse in Toronto and packed in special hampers that maintain the low temperature until the meat is delivered to the refrigeration plant in each of the Loblaw stores. Delivery can be made without appreciable increase in temperature within a radius of 100 miles from the Toronto warehouse.

The whole plan has been worked out carefully and it is understood that it is quite feasible to sell meat in every one of the Loblaw stores both in Canada and in the

(Continued on page 2, col. 3)

LAWRENCE FLOUR SEEKS APPROVAL FOR BORROWING

No Expansion Contemplated in Near Future

From Our Own Correspondent

MONTREAL. — Shareholders of St. Lawrence Flour Mills Co. will be asked at the annual meeting on October 9, to approve a by-law authorizing the borrowing of money and the issuance of securities, and a by-law to increase the number of directors to seven. It is stated, however, that the company has no immediate expansion in mind and that the first by-law is largely a routine matter.

Earnings of St. Lawrence Flour mills in the year ended August 31, are expected to compare favorably with those of last year, and it is reported that common stock earnings may approximate $3 a share compared with $3.11 a share in 1930.

The company is one of the smaller units in the milling industry and has not extended its activity to include acquisition of baking companies. Earnings in the year ended August 31, 1930, were only slightly lower than those of the previous period, amounting to $105,017 compared with $139,726.

Though regular dividends have been paid on the seven per cent preferred stock, no disbursement has been made on the junior shares since 1925.

Imperial Bank First to Omit Annual Bonus

The Imperial Bank of Canada, in declaring the regular dividend, payable on November 1, at the usual 3 per cent for the quarter, announce the ommission of the extra bonus of 1 per cent that has been paid out at this period for the past ten years.

Enquiry at the head office elicits the information that while the estimated earnings for the year would have permitted the payment of the bonus the bank's year does not actually close until October 31, and that in view of world financial conditions, the directors have considered it in the best interests of the shareholders that a substantial reserve of earnings should be maintained.

BEAUHARNOIS PLANS FALTER ON PERSONNEL

Henry's Contract Said to be Stumbling Block

WORK IS PROCEEDING

Construction on Scheduled Time — Banks Advance Funds for Current Operations

From Our Own Correspondent

MONTREAL. — Reorganization plans of the Beauharnois Power Corp., as called for following upon the investigation conducted by a committee of the House of Commons, are understood to have made headway, but certain features have yet to be cleaned up before an announcement will be made.

When the report was brought down in the House, Rt. Hon. R. B. Bennett, stated that the project would be proceeded with, but that the first order-in-council would be cancelled and that certain housecleaning would have to be carried out before a new permit be granted. Among other things the Federal Government stated that a new order-in-council confirming previous rights would not be issued without a change in the personnel of the management.

Banks Advance Funds

Up to the present time the banks have been financing the undertaking until such time as an order-in-council is issued and it is possible to undertake financing to provide for completion of the balance of the construction work.

As the Beauharnois enterprise is a provincial one, and the Federal Government is interested only from the angle of what effect the project may have on navigation in the St. Lawrence River, it has been necessary for the Dominion and Quebec authorities to discuss jointly the matter of reorganization of Beauharnois.

Working Out Plan

Numerous conferences have taken place between Quebec and Ottawa and also between the bankers and the Government. It is understood that the different interests have come to satisfactory general conclusions, and the only stumbling block to an announcement of plans and the issuance of an order-in-council authorizing the works, is the matter of personnel.

It will be recalled that the Federal Government stated that an order-in-council would not be issued with the present management in control. This meant the resignation of Senator McDougald, R. O. Sweezey and R. A. C. Henry.

Wants Contract Honored

Reliable reports have it that Senator McDougald and R. O. Sweezey have agreed to sever their official connection with the corporation, but that R. A. C. Henry is determined to hold the company to its contract with him, which provides for annual salary of $40,000 a year over 10 years.

This being the case, it is a matter of making some amicable arrangement with Mr. Henry before the Federal Government approves of the plans and issues a new order-in-council. On the other hand, Ottawa may waive its demand for a change in personnel, though this is unlikely in view of the statements made by Mr. Bennett and other members of the Government.

Financing Not Immediate

Meanwhile the banks continue to advance funds to take care of the current obligations of the company. This they will likely have to continue for some time, for even with the approval of the Dominion Gov-

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Lake of Woods Report Will Show Low Earnings

From Our Own Correspondent

MONTREAL. — Financial statement of Lake of the Woods Milling Co. for the fiscal year ended August 31 will make its appearance in about three weeks time and will reflect a thorough house-cleaning. At the same time the income account will show that earning power of the company was sharply curtailed during the year, with net income insufficient to take care of all senior charges.

The ruinous price-cutting competition in the domestic market, together with the limited demand from foreign buyers, has affected every operator in the industry. Ordinarily the millers to look to the domestic field for profits, but with flour selling, in some cases, on an export price basis, little profit has been made.

Operations during the fiscal year 1930 also were unprofitable, a deficit of $464,068 being chalked up. Net profit from operations was only $113,412, or about $8,000 in excess of preferred dividends. Since that time the dividend on the common stock has been passed, which should be a help in maintaining working capital position.

While the 1931 report will not make especially good reading for the shareholders, close examination of the returns is expected to show that the management has squarely faced the situation and made such adjustments as were necessary in order to place the company on a sound financial footing.

Need of New York Funds Heavy Over Next Year

From Our Own Correspondent

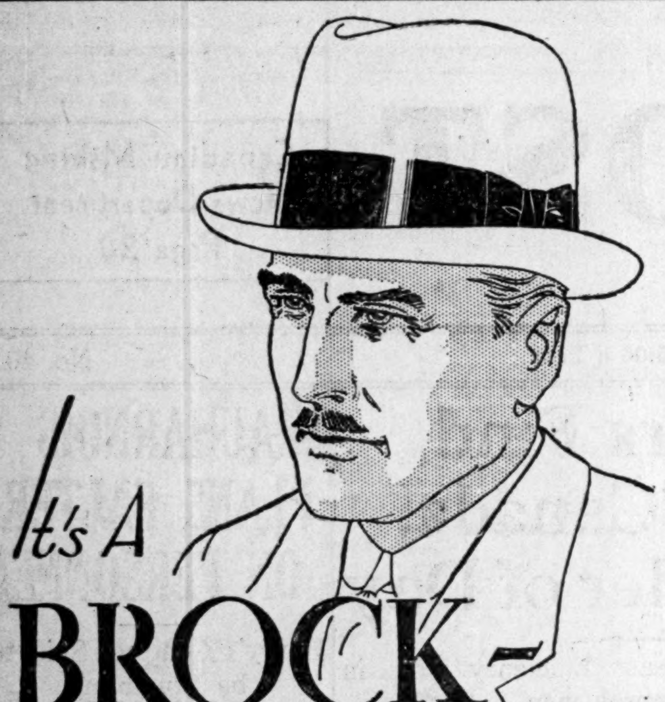
MONTREAL.—Financing of major proportions faces the Dominion and Provincial Governments over the next twelve months in order to take care of maturing obligations in New York.

Between $250,000,000 and $300,000,000 is understood to be involved in various redemptions and Ottawa is said to be giving serious consideration as how best to meet these obligations.

Financing in the American market at present could only be undertaken with difficulty and at high cost. The premium on American funds is a burden which neither the Dominion or Provincial Governments would care to assume.

A loan could be floated in the domestic market, but this would not obviate the necessity of paying a premium on American funds. It may be that the Dominion Government can successfully establish a credit in New York to take care of these obligations when they mature, but as far as can be learned the problem has not been solved.

The successful floating of the recent Conversion Loan is now regarded as a particularly fine stroke of business, inasmuch as a fair proportion of the issue brought in American holdings and "broke the back" of the Federal financing to be undertaken up to the end of 1934.



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Plan Building Extension

The Ontario Hydro-Electric Power Commission has requested its architects to proceed at once with the preparation of plans for the new administrative building at Toronto, and construction work is expected to start this fall. The new structure, to be virtually an extension of the present administrative building, will be from 14 to 17 stories high and will cost in the neighborhood of $2,000,000.

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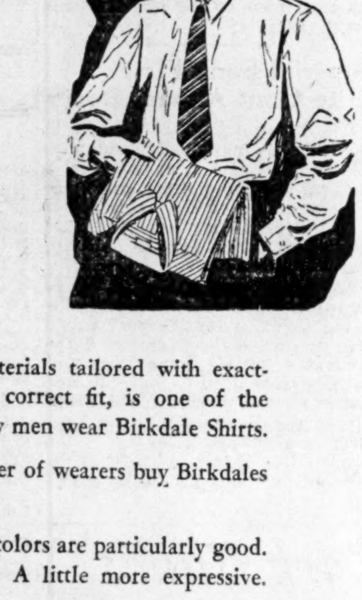

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B. C. PACKERS PUSHING SALES TO CANADIANS

Exchange Changes May Work Against Industry in Foreign Exports

Of great interest to Canadian packers of salmon is the marked improvement in salmon sales in the United States. Packers controlling half the canned salmon pack of the Pacific Northwest in the United States have organized the Pacific Salmon Sales Corp. to standardize and stabilize the sales end of the industry. All the important units belong to the association.

It is understood that considerable purchasing of salmon in British Columbia waters by United States packers has taken place this year. This is coincident with trade reports in the United States that sales are much better than for years. This improvement in sales was brought about by a price war at the beginning of the season. As there was a good demand for the 1931 pack in any case, the larger packers feel that sales at cost or lower after two bad years are unnecessary. Hence comes the move to get concerted action.

Last winter concerted action by British Columbia packers was chiefly limited to advertising the food values of salmon. Prices expected early in the winter have been slashed but old stocks are still high. Awaiting demand, limited packs have been reported this year. Luckily, if salmon is canned quickly, after catching, it is just as edible and nutritious years after canning as in the same week.

It is not expected that the decline in the Canadian dollar will open a market in the United States of any volume for the products. On the other hand, the decline in the pound sterling works against the companies in the largest foreign market which Canadian salmon has in the past enjoyed. Further consumption by Canadians is still an objective of the B. C. industry.

Competition from Japanese and Russian packers has faced British Columbia packers in the last year or two to a greater extent than ever before. If depreciation in Japanese money goes further than does the fall of Canadian dollars, Japanese exporters will gain. The situation has the alleviating factor that larger runs in the last few years indicate that this great food resource is being conserved to the future benefit of companies when markets regain their old-time strength. The reduced pack this year means more salmon arriving at the spawning grounds which in turn will mean larger runs four years from now. The Fraser River, for instance, may be restored to its ancient pre-eminence, and the return of the sockeye in impressive numbers is a good augury for the future in spite of present pressing difficulties.

The small Canadian pack this year compares with 800,000 cases packed by Puget Sound and 5,350,000 cases by Alaska packers. This is about the average.

Ottawa Still Gives Gold But Urges Co-operation

From Our Own Correspondent

OTTAWA.—Under government instructions, Canada's gold reserve is being conserved as much as possible. Canada is still on the gold standard, however, to the extent that Canadian notes are still redeemable in gold for export if any owner of such insists upon converting it to specie. This situation may be altered at any moment through an announcement of official suspension of gold payments.

For some time, assistant receivers general have been doing their utmost to prevent export, and anyone presenting notes for conversion will be called upon to explain exactly why he desires gold, uses to which he proposes to put it. If possible, officials will persuade him not to convert, and thus conserve reserves. So great has been the effort in this direction that it has been popularly supposed notes could not be converted to gold if the purpose was export. This is not actually true, but the full weight of the government influence is thrown against gold export in small quantities by private citizens.

In purchasing gold output of Canadian mines, the government will pay the full premium on the prevailing dollar basis. Ordinarily gold producers could ship to New York, convert into American currency and bring back to Canada, thus obtaining a premium. By short-circuiting gold from mines to the Canadian Treasury, the government will gradually increase our reserves but will pay producers a full premium. There is no means of recovering this sum. It will be paid out of consolidated revenue as an expense of government.

LOBLAW STORES MAY SELL MEAT IN NEAR FUTURE

(Continued from page 1)

United States. If the plan is adopted it can be expected to show a very material increase in the gross sales of the chain. A turnover of around $1,000 per week for the average store would represent an increase of at least 30 per cent in the gross sales of Canadian stores.

Previously the Loblaw stores have not carried meats other than wrapped bacon and, comparatively recently, ham. Sales of the latter line has been extremely good according to reports and would indicate that the new line of fresh meats, if placed in a majority of the stores, would meet ready acceptance. The sale of ready-cut, ready-wrapped standard cuts is in line with the Loblaw self-serve policy but constitutes the most radical innovation in merchandising that the company has instituted in some time.

The company is also increasing the number of stores and three new stores will be opened in Toronto, 12 more will be opened in the Buffalo territory by Loblaw Groceterias Inc. For the past year there has been practically no expansion in the number of stores operated but physical volume of business has shown a substantial increase and profits have been maintained.

SALES PLANS OF SIMPSON'S AGGRESSIVE

(Continued from page 1)

unemployed and every failure to do profitable business by factories and stores; the frequent changes in tariff and the application of the dumping clause in a manner which permits the customs to appraise the value of goods for customs purposes at figures which cannot be foreseen by the importer, however it may help manufacturers, has created a feeling of insecurity which has made departmental stores and other importers afraid to buy British and foreign goods in the same volume as usual; and sales resistance is so much higher than the latest generation remembers that stores have to exert far more intelligence in selection, purchase and pricing of goods than ever before.

Simpson's, in common with other large stores, has to meet the problem of fewer dollars in consumers' hands with more and better goods for each dollar. Great progress has been made in that direction. The design of the tariff to supplant foreign goods with Canadian-made takes time to work out, and merchants claim they lose out when unable to give a customer just the goods he asks for. As for sales resistance everyone has to buy necessaries continually, and the standard of what is necessary is still quite high in Canada.

Long View is Good

To conclude, Simpson's has earned dividends to date, it has cut labor costs without lessening personnel or remitting in any degree its aggressive efforts after the consumer's dollar, it has ahead of it now what is usually the heaviest selling period of the company, but it also cannot be considered immune from being affected by the world forces which are affecting the level of all business at the present moment. On the long view, whatever the experience in 1931 and 1932, the company appears to be managed in a way which is promising for its future fortunes.

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TO LIFT RAILS MANY AREAS IF PARALLEL

(Continued from page 1)

what might possibly be a biased opinion.

While there has been talk of an amalgamation between the two systems, the workings of the Commission are expected to be more along lines of determining what measures of co-operation can be undertaken to bring about an economical transportation service for Canadian industry.

Further co-operation in operations will bring about a substantial saving in operating expenses, but the crux of the present situation appears to be the necessity of determining what lines can be profitably operated, or which are of economic necessity. It is in determining this matter that the Commission will have to be absolutely free of any taint of political partisanship if it is to be a success.

In well-informed railway circles it is admitted that Canada has too much railway trackage and that a certain proportion will have to be abandoned. This is especially applicable where a district or area is served by parallel railway lines.

It is pointed out that in the days when a horse and wagon were used to take grain and other farm produce to the railways, the paralleling of railway lines was justifiable, even though only in use for three or four months out of the year.

Trucks Hit Parallel Lines

Time has brought many changes in the matter of transportation and today the widespread use of the truck for moving farm produce to the railways has widened the area which can be served by one line. At the same time it has proven that a district cannot support three or even two lines, as is the case where the old Canadian Northern, Grand Trunk Pacific and Canadian Pacific Lines are within a few miles of one another. The trucks, therefore, have largely eliminated the necessity of paralleling lines.

Some of this parallel trackage will have to be abandoned. While this would mean an immediate capital loss, it is stated that the saving effected would more than exceed the carrying charges on the capital invested.

Could Cut Expenses

One prominent railway man is authority for the statement that a realignment of trackage would be a sound move, not only in providing better service but in cutting down expenses. He says that the Canadian National has trackage which could be used to better advantage by the Canadian Pacific and vice versa.

These are only a few of the points that will come up for discussion before the new commission. There are hundreds of other angles to be ironed out.

If the Commission is soundly organized, the recommendations for the solution of many of the current problems will be given full consideration by the railways. If favored by the Federal Government, the recommendations can be enforced through passing the necessary enabling legislation.

GOLD ACTION GIVES WORRY AT OTTAWA

(Continued from page 1)

is the acting Minister of Finance. While the fall in the dollar increases our protection against the United States, and lowers their tariff against us, it makes the settlement of debt exceedingly costly.

Federal Situation Favorable

The Federal government, fortunately, has recently done all the financing necessary for some time. The $50,000,000 issue of National Railway bonds went through just before the break in the exchange. Even this issue, however, met with an adverse reception, and eventually has had to be sold chiefly in Canada. The American bond houses that underwrote part of it, have been compelled to take heavy losses, because the bonds were not readily saleable to their customers.

But the position of other borrowers from New York—the provinces, municipalities, industrial concerns—is far from satisfactory. Very large payments must be made this autumn, both in principal and interest, and unless the dollar is brought back to par, it is doubtful if the settlements can be made. The issues will have to be refunded, a difficult task in the present bond market.

While the Federal government may not be directly responsible for this situation, it is, as this is written, making a valiant effort to bring the dollar to par. Ottawa's view is that this should not be difficult to do. There is nothing the matter with the Canadian gold position, except that for many years the government has not permitted Dominion notes to be redeemed in gold, if the purpose was to export this gold. The statutory gold reserves are more than being maintained. The latest statement indicates $141,615,347 notes in circulation against which there is the statutory gold reserve of $71,615,347. In fact the treasury holds an excess of gold over statutory requirements to an amount of $969,804.

Reserves Maintained

There has been no shrinkage in our reserves, no weakening which would warrant the fall of the dollar in the opinion of the government.

But just how the government would go about restoring our currency to par, is in some doubt. At the moment, the government is adding to gold reserves, by buying in all the domestic gold production. This will strengthen our position in time, but not soon enough to meet the autumn difficulties. There are said to be serious difficulties in the way of floating any considerable loan on the New York market at the present time. But other measures are possible, with the co-operation of leading New York financial houses. There will likely be important developments in this regard within the next week.

"SOO" BOND INTEREST NOT BEING CARRIED BY CANADIAN PACIFIC

(Continued from page 1)

and that the reserve for the pension fund remains unchanged.

In the preceding year these charges totalled $57,158,395.

Prospects of covering all charges this year are indefinite. A net income of $11,396,549 is shown from operations of the first eight months. The trend of railway traffic over recent months does not hold out much hope that returns in the last four months of 1931 will equal those of the same period of 1930. Thus from railway operations net income is not likely to exceed $25,000,000 under as favorable circumstances as may be expected from present indications. Then there is the matter of special income which plays an important part in adding to the surplus available for dividends on the ordinary shares. Last year's exceptionally large special income was primarily due to appropriating part of the undistributed surplus of the old Allan Steamship Co.

This year the company is faced with lower earnings in the hotels. Steamship and telegraph departments, and, what is more important, in its income from consolidated smelters, the amount credited to special income will not be known until the end of the year. From known facts, however, it is unlikely that special income in 1931 will measure up to that of 1930. Unless the management makes further inroads into unreported reserves.

Depend on Grain

To do this, much will depend upon the movement and the tonnage of grain available along the company's western lines. The recent government estimate of the wheat crop was 247,000,000 bushels. Add to this a carryover of 120,000,000 bushels. Under ordinary circumstances this is well above the average and would constitute a goodly prospective tonnage for the railways.

From the point of view of the Canadian Pacific, two considerations come to mind. First is the fact that the domestic requirements for 1931-1932 will be greater than last year, so that the surplus crop available for export will not be as large as under normal conditions.

Smaller Crop to Handle

Secondly is the fact that a large share of the Western drought area was along the lines of the Canadian Pacific. This will mean a smaller movement, especially in the southern part of Saskatchewan.

These two conditions bear upon the available supply. There is also the question of export demand. Conditions in the world wheat market have been unsettled during the past two weeks. It remains to be seen whether or not a good demand will develop for Canadian wheat. The movement over the past two years, of course, has been far below normal. Whether there will be a pick-up this crop year remains to be seen.

Trend is Uncertain

With all these indeterminate factors, therefore, it is difficult to forecast the possible trend of earnings during the next four months with any degree of certainty. Any estimate at the present juncture would be largely guesswork.

Economies Have Effect

Meanwhile the management has put in force drastic economies which have resulted in placing operating expenses on a lower basis than for many years past. The cut in salaries, closing down of stations, elimination of unproductive train runs, closing down of shops, etc., have all aided materially in enabling the company to keep out of the red. The amount of money saved by these measures is not ascertainable, but its effect can be seen from an examination of operating expenses which fell away from $100,235,276 in the first eight months of 1930 to $82,307,642 for the corresponding period of 1931.

There is a likelihood of further economies through a reduction in the wages of the running trades. Several meetings have been held in Montreal lately between representatives of the two railway systems and the unions. No conclusion has been arrived at one way or the other and no decision will be reached until mid-October.

NATION'S BUSINESS

(Continued from page 1)

our obligations. Other New York bankers, knowing Canada's resources and the temper of the Canadian people, are prepared to stick by Canada now to the extent of their ability but they are faced with a serious domestic banking problem. Literally hundreds of their banks are virtually frozen as to assets, and investment funds are yet very scarce. Most New York sources of funds have not and can not obtain, at the moment, the money to loan.

In short, every borrowing authority in Canada—Dominion, provincial and municipal—must be prepared to pare its demands to the very bone, to throw overboard even some schemes that are well on the way to completion, to nip others in the bud, to exercise every measure of economy in public expenditure and to live as closely as possible to the level of current income plus whatever investment funds are available within our own country for loaning purposes.

As one example, it is quite probable that the position of exchange and bond markets will force the abandonment, for an unstated period, of all work in connection with the Montreal terminal project of the Canadian National Railways. Scores of smaller projects under governmental authority are in a similar position.

* * *

ALL this is very embarrassing just at the moment but in the long run it may be a very good thing for Canada. It was essential that some acute development should bring our spending governments to their senses and prevent them from loading the country with a burden of debt that would clog the machinery of our national expansion in years to come. Being forced to admit that we could not maintain the gold standard, even with our gold mines working night and day, may prove to be the necessary corrective force.

BEAUHARNOIS PLANS FALTER ON PERSONNEL

(Continued from page 1)

ernment, the financial market is in such a disturbed state that any large financing is out of the question.

Beauharnois needs between $40,000,000 and $50,000,000 to complete the project. It is the intention to have the operating concern, Beauharnois Light, Heat and Power Co., issue these bonds. They would rank ahead of the Beauharnois Power Corp. bonds.

Arrangements for this financing were reported to have been completed not long ago. In view of the depreciation of the Canadian dollar and the general disturbance of the money markets both here, in New York and in London, it would appear to be out of the question to offer the bonds publicly either now or in the immediate future.

Work Well Advanced

Constructional operations are continuing according to schedule. At present about 3,200 men are employed. This is close to the peak of the summer season. With cold weather setting in shortly, the working force will likely be reduced.

Work on the plant structure is well advanced. The brick-work is not quite complete, but the major share of the building is finished. Workers are now putting the waterwheels in place, while the generators are being assembled at the plant site. There will be ten generators installed, with a rated capacity of 50,000 h.p. each.

Large forces of men are now working on the bridges to be thrown across the canal to carry the highway and railways. Three bridges will be built. Piers for one have been completed and are well on the way toward completion for the other two.

The highway is being diverted, as also the railways, which will be re-routed across the new bridges.

Work on the canal banks is well advanced, also on the main dykes.

Operate Within Year

According to the present schedule of operations, the plant will come into operation on or before October, 1932, when contracts call for the delivery of power to the Ontario Hydro-Electric Power Commission and Montreal Light, Heat and Power Consolidated. The former has contracted for 250,000 h.p., delivery to be made in stipulated amounts, while the latter will take 200,000 h.p. Originally Montreal Power had contracted for 150,000 h.p., but this amount was later increased to 200,000 h.p.

Construct New Hangar

Work has begun on the construction of a new aeroplane hangar for Canada Airways Limited at Stevenson's Flying Field, Winnipeg. The hangar will have a frontage of 101 feet and a depth of 120 feet, in addition to a wing for housing a post office, stock room, customs, radio and meteorological offices. The cost of the hangar is $30,000 and its construction will give employment to between forty and fifty men.

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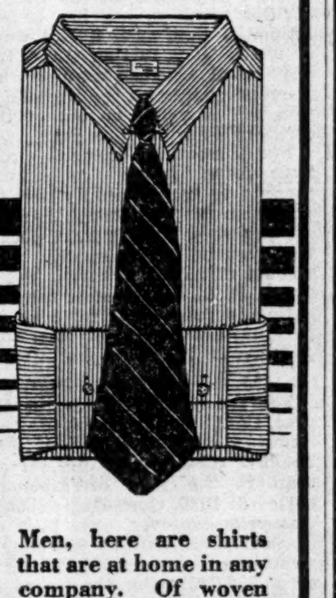

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Business Briefs

Car Loadings for week ending Sept. 19 at 53,699 were 7.3 p.c. higher than for the previous week, but were 26.1 p.c. lower than same week 1930. Coal made the only notable gain, loadings being up 37¼ p.c. over previous week. Cumulative total of loadings to date were 20.4 p.c. lower than last year with 1,835,741 cars as against 2,307,394 in 1930, all classifications being lower.

Wheat Stocks at Sept. 18 totalled 114,444,355 bushels, 11.8 p.c. heavier than the preceding week, but 20.4 p.c. below the amount on hand at same date last year. Other grain totalled 32,928,697 bushels, about 5 p.c. higher than previous week, and 29 p.c. below same date 1930.

Coal Output for Canada in August was 760,127 tons, which compares with the five year average for the month of 1,336,983 tons. Imports totalled 1,488,880 tons, this being 19 p.c. below the five-year average for this month. Exports fell 64½ p.c. below the average, being 27,436 tons. United States supplied 62 p.c. of total coal available in August; Canada 33 p.c.; and Great Britain 4.6 p.c.

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DETROIT BRIDGE TO BREAK EVEN WHEN YEAR ENDS

Traffic Remains 40 p.c. Under 1930; Expenses Will Be Covered

Vehicular traffic on the Detroit-International Bridge during 1931, to date, is but slightly over 60 per cent of the volume for the corresponding period in 1930 but it is understood that despite this drop the company will probably at least break even on the entire fiscal year, which ends December 31. The traffic peak of the year extends from June to September and is now near its close and it is believed that the bridge company has shown a sufficient profit to make up for any loss that may be made in November and December despite the fact that several non-recurring expenses have been met during the current year.

Should business continue in 1932 at the same level that has prevailed in 1931 some surplus should accrue to the first mortgage bondholders after payment of all operating expenses and taxes. Improvement in business conditions would have a beneficial effect as it is believed that almost half of the drop in the current year is due to economic conditions while competition from tunnel and ferry may account for the remainder. There is no possibility, however, of resumption of interest payments for a considerable period.

Operating expenses on the bridge have been reduced to a minimum and are believed to compare most favorably with those of the competing tunnel. Depreciation on the bridge is not regarded as an important factor at the present time and no allowance is being made for this item although the bridge is being maintained in a good state of repair. Painting and paving are the two chief items that must be considered in the future but painting will not be required for several years. Traffic counts have shown that the bridge is securing a fair share of the business available and additional steps have been taken to secure new business. The annual convention of the American Legion held in Detroit in the week of September 21 resulted in a very substantial increase in traffic for a period of several days.

Possibility of capital reorganization of the company is considered as being remote. Debenture holders, it is believed, could effectively stop any attempt at reorganization that might be made by the first mortgage bondholders at the present time on the ground that insufficient operating experience has been secured under normal conditions. On the other hand, since the bridge can show an operating profit before bond interest and depreciation under adverse conditions, the position of the first mortgage bondholders cannot be prejudiced by waiting.

MONTREAL POWER BUYS PIERREFONDS

Will Take Over System When Contract Expires in 1932

From Our Own Correspondent

MONTREAL.—Montreal Light, Heat and Power Cons. has purchased the electric system of the Pierrefonds Electric Co. at a price which has not yet been disclosed. Acquisition of the system substantially extends the territory now served by Montreal Power.

Pierrefonds Electric Co. serves a district extending from St. Genevieve to Senneville, along the north shore of the Island of Montreal, and to the boundaries of the south shore municipalities, covering nearly one quarter of the area of the island.

Contract Expires 1932

Montreal Power is presently supplying electricity to the Pierrefonds Co. under a contract which expires December, 1932, and it will not be until that date that the customers will receive the usual metropolitan rate for electricity supplied by Montreal Power.

In the meantime, an extensive programme of construction work will be undertaken in the district to bring the electric system up to standard specifications. Acquisition of the Pierrefonds Co. represents the eleventh electric system acquired by Montreal Power in recent years. Sale of the Lachine municipal distribution system has been approved by municipal authorities and a referendum of property owners will be held on October 9 or 10 to confirm the by-law.

Meat Consumption Showing Decline

Cattle market of 1930 was characterized by shortage of volume and a sharp decline in prices during the latter half of the year. Sheep and lamb supplies were smaller than during 1929, but larger than for 1928, 1927 or 1926, according to a survey of livestock trade for 1930 published by the Dominion Bureau of Statistics. Prices were much lower than for any of the immediately preceding years. Hogs were the only livestock which were generally profitable to the producer in 1930. There was a shortage of supply, the volume marketed being the smallest during recent years. This had an effect in keeping prices up, so that the average price throughout the year compared favorably with that of 1929.

Consumption of meats in Canada in 1930 was estimated at 1,486 million pounds from the revised estimate for the previous year. Per capita consumption dropped from 156.68 lbs. to about 149.62 lbs. in 1930.

Bell Telephone Extend Montreal's Dial System

From Our Own Correspondent

MONTREAL.—Further progress has been made by the Bell Telephone Co. of Canada in cutting over telephones in the Montreal area from the manual to the dial system. On September 25 the Dollard exchange was put into operation, bringing the number of dial units up to 14.

The cut-over involved some 6,600 telephones. Within the near future it is expected that 8,700 subscribers will be served from the Dollard exchange, of which 400 will be public telephones.

British Firm Opens Assembling Plant

Convoys North America, of London, England, distributors of British-made sporting goods, with headquarters in Toronto and branch in Montreal, has taken 5,000 square feet in the York-Piper Building, Toronto and has begun the assembling of one of their leading lines. This is the first step in a plan to bring about processing, as far as possible, of other of their products in Canada.

Stock Market Leaders of Tomorrow

Goodyear Tire's Good Earnings in Easy Times and Bad Indicate High Calibre of Company's Management

By GRANT BROWN

ARTICLE TWELVE: GOODYEAR TIRE

Among the candidates for future market leadership Goodyear Tire and Rubber should not be overlooked, and in this connection both the outlook for the rubber industry in Canada and the position of Goodyear Tire in that industry require consideration.

Manufacturers of rubber products including tires, tubes, belting, rubber heels, etc., are subject to many vicissitudes. The tire industry is closely associated with the ups and downs of the automobile. The demand for mechanical rubber goods varies with general industrial activity. Rubber heels are attached to the boot and shoe industry. And all branches of the manufacture of rubber goods are very definitely linked to the fluctuations of crude rubber, a product whose rise and fall have been mercurial in these latter years. The fortunes of raw cotton, too, have a considerable influence on the rubber industry, as cotton is an important raw material in the manufacture of tires.

Inventories Important

The inventory question, then is of very considerable moment to the industry. A heavy inventory at the end of a year in which there has been a sharp fall in the price of crude rubber may wipe out the entire profits of a good season; and management of inventory always presents a problem for the industry. Of course, the converse holds with rising prices. Inevitably then, the manufacturer of rubber goods is to some extent a speculator in raw materials, and a part of his success will depend on keeping inventories low when prices are falling and on securing timely supplies when the pendulum is swinging in the opposite direction. At the present moment with crude rubber at record low prices (slightly above 5 cents a pound) and considerably below the cost of production on the average plantation—in fact slightly below the costs of exceptionally well managed plantations which seem to be about three pence a pound — the danger of inventory loss is minimized. Last year operations were rendered difficult by a decrease in the price of rubber from 19⅛c. on Sept. 30, 1929, to 7½c. on Sept. 30, 1930. While there has been a further drop in 1931, it has been relatively slight and the probabilities of further decreases are correspondingly less. Cotton, too, has been making record lows. In the next period, then, inventories are not likely to involve heavy write-offs; in fact, they might quite easily help to swell profits in the event of a moderate rally in price.

Continued Demand

As to continuance of public demand for its products, the outlook for the rubber industry appears to be excellent. While the purchase of motor cars has been temporarily checked, there is reason to believe that this form of transportation has even bigger days ahead. Moreover, the increased protection for Canadian automobiles is of some advantage to the Canadian tire industry, since the Canadian car is equipped with tires made in Canada. Again, although fewer new cars are being bought, the old cars are being driven almost as much as ever. The replacement demand for tires accordingly makes itself felt earlier than the demand for new cars; and to the tire manufacturer, replacing old tires is more profitable than supplying original equipment. Perhaps the greatest check to the rapid expansion of the tire industry has risen from the excellence of its products. But even modern tires wear out in time and demand should eventually overtake supply.

Other branches of the rubber industry have suffered from the general slump but they should profit both from the need for replenishment and from any improvement in general industry.

Goodyear In The Industry

So much for the industry itself. What of Goodyear's place in it? Does it warrant expectations of market leadership? An examination of Goodyear's record seems to justify the prediction that if the Canadian tire and rubber industry prospers, Goodyear will enjoy a large share of that prosperity.

Goodyear of Canada dates back to 1910 when the company was originally organized as the Canadian subsidiary of the Goodyear Tire and Rubber Co. of Akron, Ohio. Its growth was rapid. The affiliation with the parent company gave it a ready-made prestige along with access to valuable patents, compounds and laboratories. Market, sales and earnings grew steadily. Not only did the company secure a firm footing in the home market, but, thanks to the close relationship with the American company, it developed a large export trade. The first premises on Queen St. E., Toronto, soon proved inadequate. A plant at Bowmanville was purchased from the Durham Rubber Company and was reconstructed and enlarged. A few years later (1917) the New Toronto plant was erected—with a floor space of nine and three-quarter acres. In addition to the two factories, sales branches were established at various strategic points in Canada from Halifax across to Vancouver. From 1911 to 1920 sales were multiplied almost twenty times (from $915,555.18 in 1911 to $18,142,105.66 in 1920).

The difficulties common to rubber companies in the post-war deflation of 1920-1921 found the company engaged in a programme of further expansion undertaken at the instance of the parent company so as to enable the Canadian company to supply a larger proportion of the apparently growing foreign trade. A sudden contraction in demand imposed a temporary check on expansion and led to new financing after which the Canadian company recovered and resumed its stride even before the parent company had emerged from the difficulties consequent on inflated inventories and cancelled orders. By 1923 earnings had once more attained a satisfactory level; and a succession of surpluses since that time has built up the assets of the company to their present strong position. In 1926 a subsidiary, the Goodyear Cotton Co. of Canada, was formed to engage in the manufacture of tire fabrics. This company is able to supply a large proportion of the fabric required by Goodyear of Canada, which owns practically the whole common stock. Although the earnings of Goodyear of Canada have varied considerably since 1923— partly owing to the severe fluctuations in the prices of crude rubber—in no case have they fallen below $2.92 per share of common and the average since 1923 has been about $13.14 per share.

Liquid Position of Company

During these years a very strong liquid position has been established. In 1923 the current ratio was already good—5.60 to 1 with net working capital of more than $4,000,000; but in the last fiscal year (ended Sept. 30, 1930) this had risen to 21.77 to 1 with working capital of more than $9,500,000, including some $4,500,000 in cash, call loans and government bonds. In the same period certain changes had been made in the capital structure, among them the incorporation of the present company with an Ontario charter in 1927 and the cancellation of 4,670 shares of common and 5,295 shares of preferred.

Market Record of Stock

The growth and prosperity of the company have been reflected in the market price of the stock. Shareholders in the original company profited greatly through the issue of stock dividends, valuable rights, and a six-for-one split-up; but the market record of the present common stock dates only from 1927. Listed on the Toronto Curb in September, 1927, it advanced to 240 by December, 1928, and reached its high-water mark of 377 in the following May. A split-up had been under consideration; but the deflation at the close of the year and the subsequent depression made this step both untimely and unnecessary. Dividends had remained conservative in relation to earnings. In the peak year when $21.94 was earned on the common, the dividend remained at $5 although a bonus of $5 was paid in addition. The dividend still remains at $5; the bonus for the fiscal year 1930 was cut to $2.50 to correspond to smaller earnings.

Some Tests For Stocks

Many of our tests Goodyear of Canada can obviously satisfy with ease. Its history and record encourage confidence—especially in view of its outstanding success in meeting the difficulties of the first post-war deflation. The efficiency of the management has been severely tested by the gyrations of crude rubber; and no stronger evidence of capacity should be required than the fact that year after year the company has been able to show handsome profits when prices of raw materials were falling precipitously (e.g. in 1930) and when many other tire and rubber companies had nothing but deficits to report. The present management has been particularly successful in securing a rapid turnover of stock and in judging the market for raw materials. The strength of the company's liquid resources has already been commented on.

As to competition, Goodyear has succeeded in establishing a place for itself at the head of the industry in Canada. Fears had been expressed that the selling of tires by the Imperial Oil Co. might mean dangerous competition. However, although Imperial Oil claims to be well satisfied with the experiment, the business and profits of Goodyear seem to have suffered little, if at all, from the new policy. In general, selling tires, though sufficiently competitive, has been less exposed to unsound practices in Canada than in the United States.

Value of U. S. Link

Two or three special merits of Goodyear deserve emphasis. The value of the connection with American Goodyear, the largest manufacturer of tires in the world, should be stressed. The relationship means access to the results of research, the sharing of a great prestige, an avenue to markets otherwise inaccessible, and, if there were need of it—though this seems unlikely—a financial backing not to be despised. Again, the policy of the management to report frequently to the shareholders on the current condition of the company shows an appreciation of the just claims of shareholders all too rare among Canadian corporations.

The harmonious relationship with employees indicated by numerous long-term records for active and continuous service is also worthy of comment.

Position and Prospects

Owing to a change made in the fiscal year so as to make it correspond with the calendar year, the next annual report will appear several months later than usual. However, thanks to the company's policy of keeping the shareholders informed, it is possible to get a fairly good idea of operations during the current year. A letter (June 30, 1931), from the president and general manager to the shareholders gave an interesting outline of operations. A marked decline in the export trade was commented on. However, the strength of the current position was emphasized (no bank loans; cash, call loans and government bonds amounting to more than $4,600,000; and total current assets of $10,727,809). The president added that the reserve for depreciation amounted to 41.6 per cent of the investment in plant, etc., and that 'ample reserves had been set up to cover any unusual losses during these adverse business conditions.' He also announced that in the first six months of the calendar year the company had earned both preferred and common dividends for the entire year and had added to surplus. A recent letter (September) from the general sales manager states that the company's sales through tire dealers are greater for 1931 than they were at the same date in 1930. Apparently, then, the company is continuing to make a good showing under difficult conditions.

For the last fiscal year (ended Sept. 30, 1930), earnings were slightly more than $8 per share of common stock; the regular $5 dividend was paid throughout the year and at the close (Oct. 1), a bonus of $2.50 was distributed, making $7.50 for the entire year—a distribution justified by the strong liquid position of the company and the absence of outstanding bonds except for a small issue of the subsidiary, Goodyear Cotton Co. Earnings for the current year are probably at a rate at least equal to last year's. The final earnings, however, will depend to a considerable extent on the question of inventories and prices. As last year's earnings of $8 were made in spite of declines in rubber from 19⅞c. to 7½c. and in cotton from 18.85c. to 10.35c., it seems reasonable to expect that this year's write-offs for losses on inventory will be considerably less.

While there have been further declines in both rubber and cotton, they have been relatively small. Earnings for the 15 months ending December 31, 1931, then may be at a slightly higher rate than for the last fiscal period.

The present price (in the neighborhood of 85) gives a yield of almost 6 per cent on the regular $5 dividend. If the $2.50 bonus is maintained, the yield becomes nearly 9 per cent.

Whatever the immediate fortunes of Goodyear of Canada, its record, its efficient management, the strength of its liquid resources, its affiliations, its leading position in the industry, all seem to justify the assumption that in time it will recover good earning power.

CAN. GENERAL INV. REDUCES DIVIDEND

Loans Have Been Cut By $1,558,420 During Current Year

The first dividend payment on the stock of Canadian General Investments, Ltd., formerly Second Canadian General Investments, Ltd., since the assets of Canadian General Investment Trust Ltd., were acquired, was made on October 1. The payment of 20 cents per share is equivalent to 80 cents on the old shares of Canadian General Investment Ltd. and represents a reduction of five cents for the quarter due, it is stated to the present uncertain condition of the market.

The policy of the company will be to distribute, by way of quarterly dividends, the earnings actually received from interest and dividends on securities held and any profits obtained from sale of securities will be transferred to investment account reserve and in this way used to build up the capital investment of the company. There is approximately 612,000 shares of the present company outstanding of which some are being held for exchange for the shares of Canadian General Investments, Ltd. About 56 per cent of the stock of the latter company has already been turned in.

In a letter accompanying dividend cheques, it is stated: "The chaotic conditions prevailing in all markets in the last few weeks is too well known to all shareholders to require further comment at the present time. The depreciation in bonds and preferred shares of industrial and public utility corporations has been even more pronounced than the shrinkage in common stock values. Canadian General Investments, Ltd., has been pursuing the policy of reducing its loans as opportunity arose. As of January 1, 1931, loans for the two companies, now amalgamated in this concern, stood at $3,906,893, whereas at September 28, 1931, they have been reduced to $2,348,473.

"The policy is being pursued of exchanging securities where it is possible to increase the yield and maintain what is deemed the equivalent in security. We anticipate that further income reductions must be faced between now and the end of the year due to the passing or reduction of dividends on some of the securities held."

Tooke Bros. Omits Preferred Dividends

From Our Own Correspondent

MONTREAL. — Tooke Bros. has passed its preferred dividend, an action which was to be expected in light of earnings in the past fiscal year ended June 30, 1931. Operations in that period resulted in a deficit after all charges of $41,578 compared with preferred dividend needs of $68,950. Payment of dividends resulted in a total deficit for the year of $110,528.

There is $985,000 of 7 per cent cumulative preferred outstanding. These shares were issued in 1927 in exchange for old preferred stock on a share for share basis. One half share of new common stock was also given to preferred shareholders on account of former arrears which totalled 35 per cent.

Dividends on the new preferred were paid regularly until the present time.

Australian Imports, '30-31 But 47 P.C. of Prior Year

A marked reduction in the value of goods imported by Australia in the fiscal year ended June 30, 1931, is disclosed by preliminary figures relative to the overseas trade of the Commonwealth just made available. However, notwithstanding substantially reduced exports, the figures indicate a more favorable trade balance than for many years.

The adverse bank exchange of 30½ per cent has had a distinct bearing on reducing imports, while, inversely, the exchange situation continues to offer a premium on exports.

Comparison of the year just closed with the previous year, according to a schedule submitted by D. H. Ross, Canadian trade commissioner at Melbourne, is as follows:

	1929-30	1930-31	Decr.
	£	£	%
Imports	181,081,320	60,558,095	53.8
Exports	125,127,148	102,038,398	18.5
Total trade	256,208,468	162,596,493	36.5

Apple Crop Prospects Improved

The Canadian commercial apple crop prospects, revised up to September 1st, indicate a slight increase over last year's production amounting to 223,000 barrels and the yield is estimated at 3,634,000 barrels as compared with 3,411,000 barrels in 1930, an increase of 6.2 per cent.

Price Cutting Endangers Can. Wineries Dividend

Earnings of Fiscal Year to Date Are Equal to Same Period in 1930 But Resources May be Conserved Until Price War Over

Canadian Wineries dividend at the rate of 50 cents a share annually is somewhat in doubt as a result of price cutting and severe competition now obtaining in the cheap wine industry. The company is maintaining its place so far as physical volume of production and sales is concerned in the cheap and quality wine products, but the competition in the cheap wine industry naturally cuts into profits and recent increase in the tariff on sugar has raised the cost of production as well.

From the beginning of the fiscal year on May 1 to the end of August in 1931, earnings have been equal to or perhaps a little better than for the same period in the preceding year. Present results make it seem probable that dividends will be earned for the year, but it is stated that directors may yet have to consider the advisibility of dropping dividends until the period of uncertainty is definitely past.

Hopeful in Long View

It is understood that the price drop in the cheaper wine industry was started by one of the largest producers in the industry. Canadian Wineries have met the price in their chief markets. The cut in price so far has not caused an increase in consumption of the product. The important earning period of the year is ahead and what has been happening through the summer is not regarded as clear evidence of what may come.

Officials and directors still remain hopeful as to the long term view. The company's cider business is developing in a hopeful manner and good sales have been made but it is relatively a small business as yet, though capable of considerable expansion. The sparkling wines and the higher quality wines generally are moving and the champagne orders have come to exceed those being made for imported champagnes. The depression and the difference in price have some influence on this success. Each individual wine is adding its quota to profits and further extension of the non-alcoholic portion of the business may occur. The plans for expansion may have some effect on the decision of the directors to conserve cash resources.

In February and May the stock sold as high as 6 and then fell to as low as 2½. In June and July it reached highs above 4 but the closing price on September 19 was 3¼ and as restrictions had not been removed up to this week there is considerable interest among shareholders as to what the price will be when the placing of the market on a free basis once more permits the real market situation to make itself evident.

CAN. FOUNDRIES DEFERS PAYMENT CLASS "A" SHARES

Earnings Lower But Financial Status Maintained

From Our Own Correspondent

MONTREAL.—Dividends on the class "A" shares of Canada Foundries and Forgings have been omitted. The stock, of which there are 38,400 shares of no par value outstanding, was on an annual dividend basis of $1.50; the next quarterly payment of 37½ cents a share was due October 15.

Though earnings have shown a decline, it is understood that balance sheet position is satisfactory. The company has no bank loans outstanding, while it is carrying a substantial sum in investments. At the end of 1930 there was an issue of $194,000 six per cent first mortgage bonds outstanding, while in addition to the "A" shares there were issued 9,600 shares of no par value class "B" stock.

Earnings in 1930, reflected the hesitancy in business conditions which was then apparent and showed a decline of nearly $100,000 at $110,834. After all charges, there remained a net profit of $61,178 compared with class "A" dividend requirements of $57,600.

This was equal to $1.59 a share on the "A" stock and 37 cents a share on the class "B." In the previous year, earnings were $3.93 a share on the "A" and $9.72 a share on the "B" stock.

The dividend which has been deferred was inaugurated in October, 1928, following a capital reorganization whereby old preferred shareholders and common shareholders were given new class "A" and "B" stock in return for their holdings. The old preferred, which was exchanged for four shares of Class "A," was 42¼ per cent in arrears.

Canada Foundries and Forgings manufactures heavy forgings, automobile and drop forgings, tools and all kinds of hardware.

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FURTHER DECLINE FOREIGN TRADE

Five-Month Figures Were Two-Thirds of Those for 1930

During August Canada exported $49,894,361 worth of produce and imported free and dutiable goods to the value of $46,994,113, according to returns published by the Department of National Revenue, Ottawa. In comparison with August, 1930, exports suffered a decrease of about 30 per cent and imports declined nearly 40 per cent.

For the first five months of the fiscal year the value of produce exported from Canada totalled $251,373,882, as compared with $361,026,517 for the corresponding period in 1930, representing a decrease of 30 per cent. During the same period imports at $272,528,662 were 36 per cent lower than last year.

Comparison of the figures of the two principal items of exports, wheat and newsprint, show the fall of average prices obtained. Wheat, which with a volume of about 79 million bushels was 5½ million bushels greater than for the five months period in 1930, showed a decrease in value of nearly $27,000,000, or 36½ per cent, while newsprint, with a volume of 11 per cent smaller than last year, showed an 18 per cent drop in total value at $45,046,562. August shipments of both these commodities were materially lower in value than in that month last year, wheat exports particularly, these amounting to only $6,620,000 as against $17,000,000.

An interesting comparison is afforded by the division of free and dutiable goods imported, reflecting the operation of the new tariffs. Last year, for the five months ending August 31, the proportion of free goods to the total goods entering Canada was 36½ per cent. This year free goods have been responsible for only 33 per cent of the total.

Economic Value of Boy at Birth, $9,333

The economic value of a boy at birth is estimated at $9,333, and increases progressively to $28,654 by the time he is eighteen, according to the Metropolitan Life Insurance company, based on a family whose annual income is $2,500 and the cost of rearing the boy to the age of eighteen, which is $7,238 for such a family.

The value of the boy at birth is the amount which it would be necessary to put out at interest at 3½ per cent to rear him to the age of eighteen and to produce the net income he is expected to earn throughout the working period of his life.

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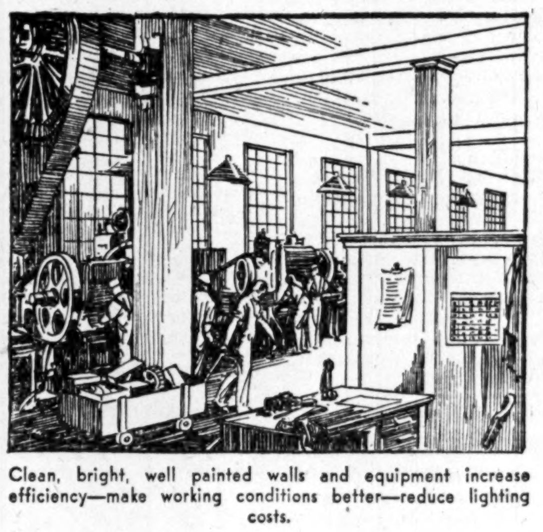
Well painted buildings are a sign of good management. S. W. Paint will protect plant investments, reduce overhead, cut down depreciation.



Clean, bright, well painted walls and equipment increase efficiency—make working conditions better—reduce lighting costs.

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Repaint for the winter. Freshen up. Attract business by reason of a fresh, clean, inviting appearance.

Repainting is good economy, too. The wear of another winter might cost you more by way of repairs and depreciation than you would save by not painting.

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Sherwin-Williams paints are products of "world-tested" quality. They are economy products because they cover well, wear well and really protect.

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Equipment Companies Prepared for Famine

Feast of Recent Years Has Enabled Makers of Rolling Stock to Face Lean Period With Comparative Equanimity

From Our Own Correspondent

MONTREAL.—Present quotations for shares of railroad equipment companies, though abnormally depressed in relation to their book values, nevertheless indicate that investors foresee a famine period for manufacturers of rolling stock for the next year or two. With the present plight of railways, equipment orders which usually make their appearance at the turn of the year will likely be negligible and it is probable that the railroads will get along as best they can with present stock until the situation improves.

While the equipment manufacturing business is notoriously cyclical, prospects for a lean spell are only too clear. The railway situation has attained depths which have not been plumbed for many years; every effort has been and is being made to reduce costs, and the heavy outlays made by the roads last year in an effort to relieve unemployment are not likely to be duplicated for some time.

Carryovers from last year have now been completed together with any additional business received and the equipment companies must perforce carry their idle plant in readiness for the next batch of orders. Efforts have been made to diversify output as far as possible and while this has met with some measure of success, the manufacture of rolling stock must remain the chief source of an equipment companies' revenue.

The encouraging feature in viewing the outlook for the makers of rolling stock is the excellent condition in which these companies have placed their houses against just such a period with which they are faced today. The two years of 1928 and 1929 brought record volume of business and substantial profits; the revenue thus obtained has been put to good use.

Funded Debts Eliminated

In the first place both Canadian Car and National Steel Car succeeded in wiping out entirely all funded indebtedness carried on their books previous to 1929. No less than $4,764,599 of Canadian Car's and subsidiary companies' bonds were redeemed in 1929 with funds received through the issuance of stock rights, leaving preferred and common shares the sole charge against the property. National Steel Car through similar means redeemed an issue of $700,000 of bonds and also completely rehabilitated its plant at a cost of over $2,000,000.

The result has been that both companies have been relieved of all fixed interest charges, and idle plant is not the burden it might prove if it entailed heavy fixed charges each year.

Reserves Established

With their capital structures cleared for action the two companies then proceeded to set up reserves out of profits which have accrued in the past three years. Canadian Car in the years ended September 30, 1929, and 1930, added over $3,660,000 to its surplus account bringing the total to $6,458,765 at the end of the last fiscal period, while financial position was much strengthened. National Steel Car followed suit on a more modest scale adding nearly $1,000,000 to surplus in the two years ended June 30, 1929 and 1930.

It is the cash position of the equipment companies which will play an important part in the next year or two. Revenue from manufacturing profits will be slim; income from investments will count considerably in maintaining dividend disbursements.

The financial statement of Canadian Car for the year ended Sept. 30, 1931, is awaited with interest. The balance sheet at the end of the previous year showed cash of $858,929; guaranteed call loans of $1,750,000, Dominion of Canada bonds of $2,243,692, and miscellaneous investments of $787,181, a total of $5,639,802. A return of 5 per cent on this sum would give the company over $280,000 a year or over half the dividend requirements on the preferred stock.

It is thought that earnings last fiscal year were sufficient to cover preferred and common dividends; the fact that the common shares are presently quoted to yield around 28 per cent indicates that investors do not feel too cheerful about the maintenance of common disbursements next year. President Butler, however, has stated that unless conditions get much worse the safety of the preferred dividend is assured.

Has Only One Stock

In the case of National Steel Car, the 130,000 shares of common are the only securities outstanding. Profits in the last fiscal year were equal to $2.62 a share against the present dividend needs of $2. The shares are presently yielding around 16 per cent. National Steel Car at June 30 of this year had investments and call loans on its books totalling $639,091, cash of $13,867, cash value of life insurance of $82,000 and sundry investments of $22,242, or a total of $757,190. The book value of the shares was $43.23 a share.

Through the outlook for these two companies may be glummer than it has been for some years, it is equally certain that both organizations are in infinitely better shape to withstand the depression. No interest charges on funded debt will menace earnings if necessary, dividends can be reduced without jeopardizing the properties. Conservative policies of setting up substantial reserves have given them fundamental strength; earning power may be expected to develop along the usual lines when the railways once more are in a position to purchase new equipment on a large scale.

Northwestern Power Affected by Low Water

From Our Own Correspondent

MONTREAL.—Northwestern Power Co.'s operating position has been affected by low water conditions, which have in turn cut down deliveries to the parent company, Winnipeg Electric Co. Since commencing operations last June, production has dropped from 5,778,800 kw.h. to 4,173,400 kw.h. in August.

This fact, combined with the general uncertainty in financial circles, has given rise to weakness in the bonds which are currently quoted at 70 asked with no bids.

Public Utility Earnings

Jamaica Public Service and Subsidiary Companies

	1931	1930
August—	$	$
Gross earnings	65,959	68,126
Net earnings	26,294	25,969
Surp. after charges	16,889	15,923
12 Mos. end. Aug. 31—		
Gross earnings	838,146	816,850
Net earnings	347,411	331,595
Surp. after charges	234,334	248,739

Jamaica Public Service Ltd.

	Aug., 1931	Aug., 1930
Gross earnings	$ 65,959	$ 68,126
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Surplus after chgs.	16,889	15,923
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Gross earnings	$838,146	$816,850
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The above figures converted from £ sterling at the rate of $4.86-2/3 to the £.

Mexico Tramways, Light & Power Group of Companies

August—	1931	1930	Decr.
Gross earn.	Pesos	Pesos	Pesos
from oper.	802,460	850,640	48,180
Oper. & deprec. exp.	864,280	924,090	59,810
Net earn.	*61,820	*73,450	†11,630
Aggre. gross from Jan. 1	6,206,430	6,723,790	517,360
Aggre. net from Jan. 1	*643,970	*490,420	153,550
Mex. L. & P. & subs.: **			
Gross earn. from oper.	1,898,190	1,938,480	40,290
Oper. & deprec. exp.	1,188,210	1,018,050	†170,160
Net earn.	709,980	920,430	210,450
Aggre. gross earn. from Jan. 1	15,914,415	15,338,644	†575,771
Aggre. net earn. from Jan. 1	6,887,070	7,534,320	647,250

*Deficit. †Increase.
**These figures include the earnings of the Toluca Company.

Heavy increases in taxation have been imposed under recent legislation in Mexico, seriously affecting the earnings of the companies.

Canadian National Railways

	1931	1930	Decrease
August—	$	$	$
Gross rev.	14,309,810	19,067,977	4,758,169
Oper. exp.	13,795,776	16,800,995	3,005,220
Net rev.	514,034	2,266,982	1,752,948
Eight Months			
Gross rev.	117,392,910	148,129,220	30,736,310
Oper. exp.	115,214,221	132,185,112	16,970,891
Net rev.	2,178,688	15,944,107	13,765,419

Utilities and Transportation

INTERNAT. POWER SPENT LARGE SUM ON BETTERMENTS

Outlay Last Year Was $3,761,965 on Property

ACTIVITY REVIEWED

Subsidiaries Complete New Power Plants and Extend Electric Systems

From Our Own Correspondent

MONTREAL.—Spending $3,761,965 on capital account in 1930, International Power Co. made substantial additions to properties of its subsidiaries in South America and Newfoundland last year. Capital expenditures were largely confined to completion of undertakings previously commenced and to routine extensions and betterments to existing plants; the programme has now been completed and all companies are equipped, it is stated, with ample generating capacity to provide for such increased consumption as can be reasonably expected for the next two or three years.

In Porto Rico, where the largest subsidiary Porto Rico Power Co. operates, distribution system was materially extended. Additional equipment was installed in substations at Santurce, Rio Piedras and Caguas to provide for increased load and the addition of the Rio Blanco hydro-electric plant to the system.

A single circuit 38,000-volt line, 14 miles in length, was constructed to connect with the Insular Government's system at Cayey making possible the interchange of power between the four principal systems in the Island. Reconstruction of the primary distribution system in San Juan involving a change from 2,300 to 4,000 volts was completed.

Complete Bolivian Plant

In Bolivia, where Bolivian Power Co. is active, the initial hydro-electric development of 2,000 h.p. situated on the Zongo River was completed and placed in operation in December, 1930, thereby effecting a substantial increase in the available power supply in the La Paz district, and ensuring continuity of service.

Substantial progress was made on construction of the initial 4,000 h.p. development on Miguilla River in the district of Oruro, together with a steel tower transmission line of 10,000 k.w. capacity, 90 miles in length, connecting the development with the City of Oruro. This plant was placed in operation in July, 1931.

Salvador Expansion

In Salvador, three light and power systems acquired in 1929 were combined with the San Salvador system, resulting in a general improvement in service and economy in operations. Further, to increase available power supply in the district, pending development of further hydro-electric projects, a Diesel unit of 800 h.p. was installed. This allows continuity of service to the new municipal pumping plant to which power is being furnished under a 10-year contract.

Necessary transformers and switching equipment were also installed at this point and at the pumping plant and approximately 5 miles of 20,000 volt transmission line was built to connect these installations to existing systems.

Discontinue Demerara Trams

In Demerara, the Demerara Electric Light Co. discontinued operation of its tramway system to avoid continuation of operating losses and large and unremunerative capital expenditures for improvements which would have been necessary to maintain the system in reasonable operating condition.

Newfoundland Light and Power Co. began delivery of power to Dominion Steel and Coal Corp. at Wabana in January, 1931, and the new 5,000 h.p. hydro-electric development at Pierre's Brook, constructed to meet demands arising from this contract, has been completed and placed in operation. Necessary transmission lines and sub-stations were constructed.

In Venezuela, the Venezuela Power Co. installed a second 400 h.p. unit in its Rio Claro hydro-electric plant to provide for increased demand in Barquisimeto. During the year, full control of the Tocuyo Electric Light and Power Co. was obtained through purchase of the balance of the shares of that company outstanding. In the previous year a controlling interest had been obtained.

Acquire Competitor

Another property was acquired in the acquisition of the Zuliana Electric Light and Power Co., which has been competing in a section of Maracaibo during the past two years; as a result, Venezuela Power Co. now operates the entire light and power business in Maracaibo. The Diesel plant which was taken over will provide additional generating capacity, while distribution lines acquired will be incorporated in the existing system.

Financing carried out during 1930 comprised an issue of $2,000,000 six per cent debenture of Porto Rico Power Co., of which $1,000,000 was sold while International Power Co. has undertaken to purchase the remaining $1,000,000 as required. Newfoundland Light and Power Co. also sold $800,000, five and a half per cent first mortgage bonds to provide funds required in connection with its new hydro-electric development. Funds required for capital expenditure by other controlled companies were furnished in part out of earnings and the balance by advances from International Power.

To provide for these requirements, International Power Co. obtained temporary loans from its bankers, pending the marketing of additional securities. At the end of 1930, International Power Co. had bank loans of $4,000,000 outstanding; earnings were sufficient to cover preferred dividends by a small margin.

Montreal Real Estate Transfer

During the eight months of the year to date, transfers of realty in the city of Montreal numbered 4,646 and represented a value of $39,981,048, according to the monthly report of the Montreal Real Estate Board.

Power Corp. Group Production Gains

From Our Own Correspondent

MONTREAL.—Power Corporation of Canada group of power utilities report an aggregate output of 138,328,085 k.w.h. during August last. This compares with 136,863,445 k.w.h. for the identical companies in July and with 136,666,219 k.w.h. for August last year, the latter figure not including Northwestern Power Co. Canada Northern Power, British Columbia Power and Northern B. C. Power are the only three units to show an increase in August last, as against the same month in 1930. Following are comparative figures for August, 1931 and 1930:

Kw.h. —August—	1930	1931
South. Can.	12,658,397	12,389,180
Can. North.	30,855,520	35,682,200
East Koot.	7,153,000	6,763,600
B. C. Power	37,603,644	38,558,155
Nor. B.C. Pr.	727,720	747,950
W'p'g. Elec.	15,689,900	13,847,600
Man. Pwr.	31,684,000	26,221,000
N. W. Pwr.	......	4,173,400
Total	136,372,181	138,328,085

EARNING FIGURES OF 'PEG ELECTRIC SHOW JULY GAIN

Tendency Toward Over-Supply Apparent in District

From Our Own Correspondent

MONTREAL.—With an increase of 12 per cent in net earnings in July, Winnipeg Electric Co. recorded its first gain in net this year. Earnings have shown a tendency to decline steadily this year in comparison with the corresponding months of 1930 and for the seven months ended July 31 were $1,131,239, down 9.5 per cent compared with the same period last year.

Passengers carried by the tramway division continue to show a reduction though this has been offset to some extent by the increased fare which is now in effect. It is also pointed out that water conditions on the Winnipeg River have shown improvement recently and that the prospect of a power shortage this winter has been largely alleviated.

Oversupply of Power

On the other hand, demand for power is at a relatively low ebb in Winnipeg owing to business conditions and it was recently stated that since the new Seven Sisters plant of Northwestern Power Co. came into operation there has been a slight oversupply of energy in the district.

Output of Winnipeg Electric power plants in July was fairly well maintained at 14,066,100 kw.h. compared with 14,634,800 kw.h. in the same month in 1930. Manitoba Power Co., however, showed a marked drop in July production which amounted to 25,833,000 kw.h. as opposed to 37,852,000 kw.h. in July, 1930.

Gross income of Winnipeg Electric in 1930 was $2,431,915, a decrease of about $384,000 from the previous year's figure; after charges there remained net profits of $572,808 applicable to dividends. Payment of preferred and common dividends resulted in a deficit of $17,801 compared with a surplus of $115,308 in the previous year. Disbursements on the common were discontinued early this year.

Power Corp. Meeting Routine in Character

From Our Own Correspondent

MONTREAL.—Proceedings at the annual meeting of Power Corp. of Canada were of a routine character. The annual statement was approved and directors re-elected without change for another year.

In speaking of some of the more favorable features of the current situation, A. J. Nesbitt, president, pointed out that Canada Northern Power and Southern Canada Power are reporting larger earnings. Winnipeg Electric, on the other hand, is not doing so well. Mr. Nesbitt stated that for the time being there was an oversupply of power in the Winnipeg area, now that the new plant of North Western Power Co. is in operation.

Two Prairie Provinces Represented on C. N. R. Bd.

From Our Own Correspondent

MONTREAL. — Saskatchewan and Alberta have been accorded representation on the directorate of the Canadian National Railways by the appointment, by order in council, of R. Byron Horner, of Blaine Lake, Sask., and James Ramsay, of Edmonton, Alta., as members of the board.

When the new board of directors of the Canadian National Railways Co. was appointed in December last, it was announced that the Government could not at that time extend the membership to include the two provinces referred to by reason of the statutory limitation of the membership, but that legislation would be secured to permit of the appointment of two additional members to the board.

The Canadian National Railways Act was amended accordingly at the last session of parliament, in consequence of which it has now been possible to give complete representation to the prairie provinces in the direction of Canadian National Railways matters.

Middle West Utilities Have Big Stake in Canada

From Our Own Correspondent

MONTREAL.—Upwards of $17,000,000 is invested directly or indirectly in Canada by the Middle West Utilities Co. of Canada Ltd., Canadian operating division of Middle West Utilities Co.

The group of controlled companies includes the Great Lakes Power Co., Algoma District Power Co., International Transit Co., in Ontario; National Utilities Corp., Winnipeg Heating Co. and Northern Public Service Corp., in Manitoba, as well as minority interests in certain other enterprises including Winnipeg Electric Co.

Directly owned Canadian subsidiaries serve 23 communities in the two provinces and their scope of activity is undergoing a process of steady expansion.

POR. RICO POWER EARNINGS SHOW FURTHER GAINS

Profit on Common Was $7.15 a Share in 1930

From Our Own Correspondent

MONTREAL.—Porto Rico Power Co., subsidiary of International Power Co., recorded further progress in 1930. Net earnings were higher and net profit, after interest and taxes was $284,593 compared with $250,204 in 1929.

After deduction of preferred dividends, there remained a sum equal to $7.15 a share on the common stock, compared with $6.01 a share, earned in 1929. During the year, common dividends were maintained at the usual rate of 4 per cent. Surplus was increased by $94,593 to $690,955.

Following is a comparison of profit and loss figures for the past two years:

	1930	1929
Net earnings*	†$552,310	$465,147
Less: Income tax	......	12,909
Bond interest	161,060	163,818
Other interest	106,657	38,221
Net profit	284,593	250,204
Less: Pref. dividends	70,000	70,000
Common dividends	120,000	120,000
Surplus for year	94,593	60,204
Add: Prev. surplus	596,362	536,158
Balance forward	$690,955	$596,362

*After depreciation.
†After taxes.

Working Capital Lacking

The balance sheet at December 31, 1930, still indicates a lack of working capital. Current liabilities of $1,691,441 exceeded current assets by $801,575; this, however, is an improvement over the figure shown at the end of 1929, when the excess was $1,212,193.

In current assets, cash is slightly lower at $59,417 and accounts receivable have increased from $529,834 to $614,639. Materials and supplies are lower by about $28,000 at $181,464, while guarantee deposits are unchanged at $33,100.

Complete Rio Blanco

Expenditure on capital account during the year amounted to $167,981, principally for routine extensions and betterments of the light and power system, including completion of the Rio Blanco development. Equipment retired and sold, together with other adjustments, resulted in a net increase in property account of $164,214.

The last balance sheet shows that $45,570 of first mortgage bonds of the company are held for future sinking fund. Deferred charges are higher by $1,000 at $5,897.

Bank Loans Lower

In liabilities, bank loans total $1,000,000 compared with loans and advances of $1,632,248 shown in 1929. Accounts payable have increased by $250,000 to $390,573, while employees and consumers' deposits are higher by $7,000 at $216,277.

Depreciation reserve at $2,356,798 shows a gain of $163,551 and contingent and miscellaneous reserve is higher by $8,500 at $165,771. The reserve on office site of $45,000 and, Rio Comerio reservoir of $50,000 are unchanged.

Reflects Financing

Funded debt reflects financing carried out last year with the appearance of $750,000 of six per cent debentures. This represents the issued portion of an authorized issue of $2,000,000 of which $1,250,000 is hypothecated against the bank loan.

First mortgage bonds amounting to $80,000 were redeemed during the year, leaving outstanding $1,842,500. Refunding mortgage bonds outstanding total $973,333 compared with $1,289,666 at the end of 1929.

HEAR CASE AGAINST GATINEAU POWER

Utility Company Claims Demand is Exorbitant

From Our Own Correspondent

MONTREAL.—Hearing of an action of Freeman T. Cross against the Gatineau Power Co. has been opened in the Supreme Court. Cross seeks to restrain the utility company from further flooding his property or the payment of $600,000 with interest since March 1, 1927. The dispute has been carried on since that year; litigation has been heard before the Quebec Public Service Commission, the Court of Appeals and the Supreme Court of Canada.

Cross owns a water-power plant on the Gatineau river and claims that his property was inundated when the Gatineau Power Co.'s plant at Chelsea Falls, eight miles below, backed up the water. His plant, he avers, was put out of commission and he was compelled to purchase power to supply his customers in four neighboring municipalities.

In defence the company admits that part of Cross's land was flooded and that he went before the Public Service Commission to have the damage assessed. Before the case came up, it is claimed, he desisted. Cross's water-power development it is contended is not of any economic or commercial value and could not be economically developed. Part of his property, it is claimed, was acquired after the company had filed its plans and given notice of its intention to build a dam at Chelsea Falls.

The company declared a willingness to pay any damages suffered by Cross on part of his property and is willing to go before the Quebec Public Service Commission to have the amount fixed, but claims that the demand for $600,000 is exorbitant.

Foreign Power Securities Will Hold Special Meeting

From Our Own Correspondent

MONTREAL. — A special general meeting of the shareholders of Foreign Power Securities will be held in Montreal on October 8th next. At this meeting, shareholders will be asked to consider the matter of placing a value upon the common shares, so that the company will be able to show in its balance sheet a capital and surplus. At present capital and surplus represent one item.

Canadian Pacific Plans Lease of Mont. & Atlantic

From Our Own Correspondent

MONTREAL. — Notice appears in the Canada Gazette of the applications of the Board of Railway Commissioners for Canada for the leasing of the Montreal and Atlantic Railway Co. to the Canadian Pacific Railway Co. for a period of 999 years. The application will be heard on October 27.

MONTREAL POWER SECURES CONTROL VERDUN'S SYSTEM

Third Largest City in Province Sells Property

From Our Own Correspondent

MONTREAL. — Montreal Light, Heat and Power Consold. has acquired the electrical distribution system of Verdun, through the payment of $300,000 in cash to the municipality. Verdun is the third largest city in the province and represents the largest single addition in recent years to Montreal Power's system.

Previously the municipal plant had served customers in competition with Montreal Power, but the two systems are now to be amalgamated, which will result in the removal of about 1,000 poles from the streets and the abolition of numerous overhead wires. Alterations to the municipal system will begin immediately.

Verdun consumers will be supplied with light and power at the standard metropolitan rates. The company has agreed to take over all existing contracts between customers and the municipal system and to employ the entire personnel of the Verdun electric system.

Montreal Light, Heat and Power Consold. now serves a territory comprising 42 municipalities on the Island of Montreal and vicinity. Electric systems more recently absorbed by the company include: Cote-de-Liesse, Mackayville, Greenfield Park, Riviere-des-Prairies, St. Vincent-de-Paul, St. Lambert, Baie d'Urfe, Beaconsfield, Senneville and Verdun.

Further expansion is anticipated in the near future.

Montreal Island Power Production Shows Gain

From Our Own Correspondent

MONTREAL.—Output of Montreal Island Power Co. in the first seven months of the current year was 86,977,620 kw.h. compared with 63,080,000 kw.h. in the same period of 1930. The increase, which represents a gain about 37 per cent, reflects the installation of additional generators during the year.

On October 1 delivery to Montreal Power was augmented by 10,000 h.p. when the seventh unit of Montreal Island's plant on the Back river was brought into operation.

Montreal Power Pays Dividends for 30 Years

From Our Own Correspondent

MONTREAL.—A quarterly dividend at the rate of $1.50 a year to shareholders of record September 30 and payable October 31, has been declared by Montreal Light, Heat and Power Cons. The current dividend is the one hundred and twenty-second consecutive payment to shareholders since the incorporation of the original Montreal Light, Heat and Power Co. in 1901.

This record of continuous dividends, coupled with consistent reductions in rates and a broadened field of service, is noteworthy.

Canadian Light Pays Dividend on Common

From Our Own Correspondent

MONTREAL.—Directors of Canadian Light and Power Co. have declared a dividend of 50 cents a share on the common stock payable October 15. This is the first disbursement to be made on the shares since payment of the initial dividend of 1 per cent in April this year.

The parent company, United Securities Ltd., has maintained dividends regularly during the year at the annual rate of 2 per cent. Initial payments on the company's stock were commenced early this year with a declaration of a 2 per cent dividend.

Cattle Sent to China

Orders have been received from China for 50 head of registered Ayrshire cows for the Hong Kong Dairy and Cold Storage Company. The order will be filled from herds in British Columbia.

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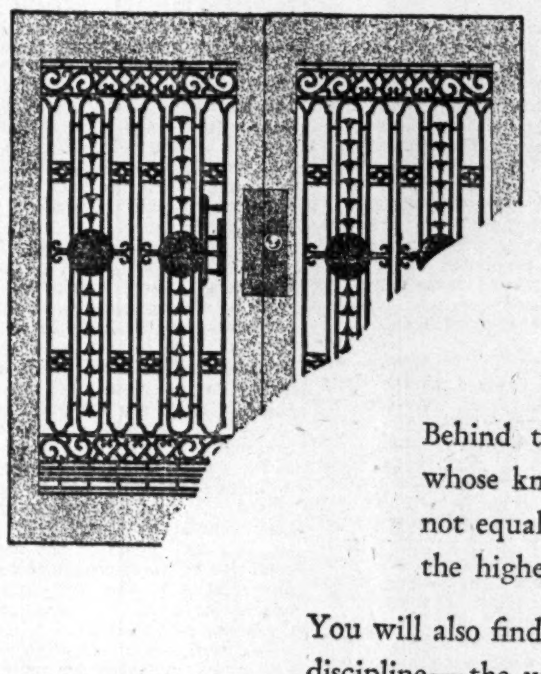

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News of Investment Markets

BOND MARKET REMAINS WEAK; VOLUME IS LOW

Intrinsic Values of Securities Remain Though Prices Sag

Extreme lack of stability has characterized the bond market for the past two weeks and the trend up to September 29 was toward weakness rather than toward strength. Investment houses continue to avoid taking any position in the market; institutional buying is reported to be negligible on the whole except at bargain prices; private investors are largely remaining out of the market. Fluctuations in exchange rates are not conducive to trading in New York. The Canadian bond market has seldom encountered such trying conditions as are being experienced at the present time.

Liquidation of Canadian securities along with other foreign securities by institutional investors in the United States, due in part to fear of the international financial situation and in part to the present difficult position of many of the United States banks, is believed to be largely responsible for the current depressed condition of Canadian bonds from Federal obligations on down the list. Passage of securities held in the United States back into Canadian hands would also affect the exchange rate between the two countries to the detriment of the Canadian dollar.

Drastic Revaluation

At the present time the consensus of opinion indicates that it is not unlikely that direct obligations of the Dominion will become stabilized at around a 5 per cent yield basis. Whether this basis would exist for any length of time it is, of course, impossible to predict. The abrupt change that has taken place in the prices of high-grade issues is indicated, though in small degree, by the offering of a Toronto investment house this week of C. N. R. 5's of 1969 on a 5 per cent yield basis whereas, not three weeks ago, the C. N. R. 4½'s of 1951 were offered to yield 4.61 per cent and at that time were regarded as being reasonably priced.

Obviously the intrinsic value of Canadian bonds has not depreciated in any material degree within recent weeks and security holders have the same security and are receiving the same income. Price reductions are due entirely to market conditions and the average investor is unaffected unless forced to find a market for his securities at the present time. Canadian investors are holding on to their bonds and no large amount of liquidation by Canadian institutions in Canada is reported.

Government and municipal public financing is an impossibility at the present time and there is a virtual cessation in calls for tenders. There is, however, a fairly substantial volume of both government and municipal financing that must be undertaken in the next few months and the cost of such financing will be considerably higher than has been the case for some time, it is believed. At the end of July, loans made by the Canadian chartered banks to municipal governments amounted to $113,421,794 as compared with $100,302,314 in July, 1930, and $95,591,296 in July, 1929. Loans to provincial governments amounted to $17,687,822 against $7,983,617 in July, 1930, and $9,305,052 in July, 1929. Loans to provincial and municipal governments totalled $131,109,616 at the end of July as compared with the April peak of $155,751,245 which was the highest point for a long time.

INT. HYDRO SYSTEM DOMESTIC SALES UP

Partially Offsets Decline in Industrial Sales

From Our Own Correspondent

MONTREAL.—Output of International Hydro-Electric System for domestic consumption in July showed an increase of 17 per cent over the same month in 1930, the largest increase of any month thus far this year over the corresponding months of last year.

Each month this year has shown a growth in domestic sales of electricity over the corresponding period in 1930. Increased revenues from domestic sales are partly offsetting lower revenues from industrial sales of energy.

Appliance Sales Gain

Contributing to these increases in domestic sales are the quantities of electric domestic appliances being sold throughout the territory served by the operating subsidiaries of International Hydro-Electric System. In the first seven months of this year, $1,850,000 of electric merchandise was sold in the 88 retail stores operated by the system's subsidiaries. Annual consumption of electricity used by this merchandise is estimated at 3,000,000 kw.h.

For the 12 months ended June 30, International Hydro-Electric System reported consolidated earnings available for dividends on its class "A" stock of $2,795,930, a decrease from $3,351,203 in the preceding 12 months.

Mayor Webb Candidate for 'Peg Mayoralty

From Our Own Correspondent

WINNIPEG.—Mayor Webb, responding to a signed request of some twelve thousand supporters, has announced that he will be again a candidate for the mayoralty at the coming elections. On the occasion of his last re-election he had announced that he did not intend to stand again. T. R. Deacon and Theo Hunt had already been brought into the field by supporters.

For a number of years Mayor Webb was considered to be the only available candidate who could win against a straight Labor candidate. As elections are conducted on the transferable vote system the actual result will not be much affected by a multiplicity of candidates.

FOUNDATION CO. CONTRACTS TOTAL ABOUT $7,500,000

Progress on Present Work Reported Satisfactory

From Our Own Correspondent

MONTREAL.—Foundation Co. of Canada has orders on its books approximating $7,500,000 and though it is yet too early to estimate the outcome of the full year which will not close until April 30, 1931, it is reported that total volume of business is not expected to fall short of the previous year.

Progress made on existing contracts is reported to be satisfactory. The building department of the company has nearly completed the St. Paul Street to Ottawa Street section of the eight track viaduct for the Canadian National Railways' Montreal terminal development. This is a concrete structure, two-stories high, with the two floors below the tracks enclosed for warehouse space. The department is also completing a new filtration plant for the E. B. Eddy Co. in Hull.

Engineering Section Busy

The engineering department is reported to be busy with contracts now in force. The largest contract is the 180,000 h.p. hydro-electric development on the Lievre River for the MacLaren Quebec Power Co., at Masson, Que. The work is well up to schedule and it is expected that the main portion of the dam will be completed this year. The tunnel with inclines is 5,900 feet long and 29 feet in diameter. Nearly one-third of the total length has been driven to date. Concreting has commenced at the power house and excavation of the power house and tail race is in full swing. Some 950 men are presently engaged.

Rapid progress is being made on the reconstruction of three berths of the Saint John Harbor in New Brunswick, destroyed by fire last June. Substructure work is practically completed and steel erection on two of the sheds has commenced. Quantities of square and round timber have been placed since July 15, when this work was started. All three berths are to be ready when the first C. P. R. passenger steamers arrive at the end of November.

Build Water Intake

A new contract has recently been signed for the submerged fresh water intake on Lake Ontario for the City of Toronto. This work consists of sinking a compressed air caisson 3,300 feet from shore to meet a tunnel which has been driven that far. Steel pipe encased in concrete is to be laid in an excavated trench from the shaft 4,250 feet farther out into the lake. The depth of water is approximately 50 feet. Each section of pipe is 100 feet long and weighs 250 tons. Special marine equipment is required for this work. Actual operations will be started early in the spring of 1932 and the work is to be completed by the fall of 1933.

Progress on Tunnel

The company also has a section of the Collecteur du Nord on Perras Boulevard, Montreal. This is a tunnel 12 feet 6 inches in diameter and nearly a mile long. Approximately 40 per cent of this tunnel has been driven to full size and nearly 30 per cent concreted. A portion of this tunnel is being driven by the compressed air method.

All of the company's marine fleet has been engaged throughout the season at various points. The company's salvage tug, "Foundation Franklin," has had an active summer towing in the St. Lawrence River and on the Atlantic coast.

National Milk Products Bondholders to Meet

A meeting of the holders of the 6½ per cent first mortgage bonds of National Milk Products Co. has been called for October 22 in Toronto by the National Trust Co. acting as trustee for the bondholders. Under an agreement, to be submitted to the bondholders for approval, it is proposed to sell all assets of the company, securing the first mortgage bonds in return for $150,000 which will be paid in debenture stock of a new company which would take over the business of National Milk Products Ltd.

A committee will also be appointed with power to act on behalf of the bondholders in dealing with the trustee and in settling the form of trust deed securing the issue of $150,000 of par value of debenture stock. The agreement of sale is dependent upon the purchaser of the company subscribing for $25,000 of the new debenture stock.

National Trust Co. has been acting as receiver for National Milk Products Ltd. since the company went in default of bond interest payable on September 15, 1929. National Milk Products was a subsidiary of Canada Dairies Ltd. but the latter company did not guarantee the $150,000 of first mortgage bonds of its subsidiary which was dropped when earnings were not sufficient to meet fixed charges. For the past two years the company has been inactive.

F. W. Hay Joins Board of Ontario Bakeries

At a special general meeting of shareholders of Ontario Bakeries Ltd. held in Toronto on September 29, F. Wellington Hay, of Listowell, was elected a director of the company. The necessary by-law to increase the number of directors from five to seven was approved and directors were authorized to make the two appointments when the legal requirements are fulfilled.

Mr. Hay is a former president of the company and succeeds the late Hon. Lincoln Goldie on the board.

JAMAICA SERVICE MAKES PROVISION FOR POUND DROP

Arrangements Effected to Take Care of Exchange

From Our Own Correspondent

MONTREAL.—Since all dividends paid by Jamaica Public Service Co., operating subsidiary of Jamaica Public Service, Ltd., are paid in sterling it might be concluded that revenue of the parent company, in which there is a Canadian investment interest, would be adversely affected. It is understood, however, that the management anticipated the decline in exchange rates by transferring sufficient funds to New York to take care of the situation for the next year or two.

Jamaica Public Service, Ltd., has outstanding 45,000 shares of no par value on which dividends are being paid at the rate of $1 annually. Revenue to meet this disbursement is derived from stock holdings in Jamaica Public Service Co. and other subsidiaries operating on the Island.

August Earnings Gain

August earnings of Jamaica Public Service, Ltd., and subsidiary companies showed a decrease in gross and an increase in net and surplus after charges. Gross totalled $65,959 compared with $68,126 in August, 1930, but net was slightly higher at $26,294. Surplus after charges also showed a gain of about $1,000 at $16,889.

The gain in August net is the first to be recorded since March when compared with the corresponding months of last year. For the twelve months ended August 31, 1931, gross was higher and net earnings totalled $347,411 compared with $331,595 in the same period in the previous year. Surplus for the year's period was $234,334 which was $14,405 less than in the previous year. The reduction is due to increased interest charges arising from the issuance of bonds in July, 1930.

Progress Despite Rains

The company's ability to maintain earnings during the current year is encouraging both in face of general business conditions and also in view of the fact that in the months of June, July and August, rains in Jamaica were very heavy. Heavy rains affect the company's sales of energy to pumping stations since the need of irrigation does not exist to any great extent during a rainy period.

On the other hand steady progress has been made in increasing sales of power for commercial, industrial and residential purposes. All three of these categories show increases to date over the same period last year, while the development of the recently acquired property at Montego Bay is going ahead in a satisfactory manner. Appliance sales, also, have shown good gains and reduced rates have played an important part in stimulating consumption of energy.

Tramway Competition Less

The tramway utility is reported to be stemming the decline which was apparent in its earnings in the past year or two. An order-in-council was passed in July regulating the operation of buses in Kingston; a factor which has had a favorable bearing on the tramway system which was feeling the effects of tramway competition seriously.

Electrification of the territory served by Jamaica Public Service is going forward slowly but surely, costs of production have been reduced and earnings have reflected the general expansion of the company's business in the past three years. Net profit in 1930 after all charges was $153,442 or the equivalent of $2.01 a share on the common.

Bond Tenders

Oct. 5.— Township of Amherst. $14,200, 5½ per cent, 30-year serial bonds. E. Desormeaux, sec.-treas.

Montreal Catholic School Commission. $700,000, 5 per cent, 30-year bonds. J. Casgrain, sec.

Oct. 5.—Town of L'Assomption. $15,000, 5 per cent, 30-year serial bonds.

Oct. 5—Township of Amherst, Que.—$14,200, 5½ per cent, 30 year serial bonds dated Sept. 1, 1931, redeemable Sept. 1, 1932 to Sept. 1, 1961. E. Desormeaux, sec.-treas.

Oct. 5—Town of l'Assomption—$15,000, 5 per cent, 30 year serial bonds. P. A. Seguin, sec.-treas.

12 o'clock noon, Oct. 5—Township of Amherst, Que.—$14,200, 5½ per cent bonds dated Sept. 1, 1931, redeemable serially from Sept. 1, 1932, to Sept. 1, 1961. Capital and interest payable at Provincial Bank at Montreal and Saint Remi d'Amherst. Emilien Desormeaux, sec.-treas.

6 o'clock p.p., Oct. 5—Town of L'Assomption, Que.—$15,000, 5 per cent bonds dated June 1, 1931, redeemable serially from June 1, 1931, to June 1, 1961. Capital and interest payable at Banque Can. Nationale, Montreal, or at its branch at L'Assomption. P. A. Seguin, sec.-treas.

Montreal Catholic School Commission will call for tenders for the purchase of $700,000. Bearing interest at a rate not exceeding 5%, 30 years, and payable in Canadian funds. This issue will be a renewal of the temporary loan made through the issue of $700,000 of bonds, 6%, dated November 1, 1921, and maturing November 1, 1931. Jean Casgrain, sec.

Bond Redemptions

Bond Issues—	Rate	Due	Redeem.	Price
Dom. Glass Co. ...	*6%	1933	Dec. 2	110
B.C. Telephone ..	4*%	1962	†Nov. 1	105
Cascade Water Power	4½%	1940	†May 1/32	100
Interlake Tissue Mills	*6%	1935	Feb. 1/32	101
Maine & N.B. Electrical Power	*6%	1948	Jan. 1/32	107½
Northern Electric..	*5%	1939	Dec. 1	105
Imp. Realty	*6%	1945	Jan. 1	103
Foreign Issues—				
Kingd. of Norway	*5%	1967	Dec. 1	100
City of Oslo, Norway	5½%	1946	Feb. 1/32	100
Danish Cons. Ext.	*5½%	1955	Nov. 1	100
Kingd. of Belgium	*7%	1956	Nov. 1	105

*Called in part.
†Or before.

200-Year Old Economist Could Have Seen Break

Present Depression is Like "Major Secondary" Ones Following All Previous Great Wars

By COL. LEONARD P. AYRES
Vice-president, Cleveland Trust Company, in "The Clevelander."

Few people foresaw this depression. Among the few who gave warning of its coming there can be found scarcely anyone who realized that it was likely to prove unusually severe, exceptionally widespread and of prolonged duration. These statements are true alike of economists and business executives, of bankers and business statisticians, of Americans and of authorities in foreign countries. The truth is that two years ago the world was entirely unprepared for any such period of hard times as has befallen us.

This nearly universal failure to recognize the significance of the gathering stormclouds of business trouble is specially disquieting in view of the fact that more and better research work relating to the problems of business cycles has been done both here and abroad during the past ten years than in all the previous decades. Nevertheless the trends of the times towards impending trouble were much more truly recognized and interpreted in the months just preceding the severe depressions of 1907 and 1921 than they were this time. Here an explanation is clearly needed.

More Than Major Depression

In the past three-quarters of a century there have been some twenty-two well-defined business depressions in this country, of which eleven have been minor ones, while the other eleven have been major depressions. Naturally enough, the students of such matters have been thinking of this present period of hard times as being merely the latest one of this series of eleven major depressions about which we have sufficient detailed information to make careful comparative study possible. Probably they have been wrong in thinking of it in those terms. This is not merely another major depression. It is a major secondary post-war depression, which is something different and more serious.

When war comes, and commodity prices mount, the prompt result is a great wave of prosperity for the farmers. For some time their production costs increase but little, and the increases in the price received for crops are almost all profit. Under such conditions of very rapid price advances the doubling of the amount received for a crop of given size may well result in a tenfold increase in farmer profits. The next development is a great speculation in farm lands, the plowing up of additional fields, the use of profits to buy more land, and a large increase in farm mortgages. Production is sharply stepped up.

Hard on City Dwellers

This period proves rather difficult for the city dwellers, for while industry and trade are brisk, and everyone can find work, the cost of living is high, wages do not advance nearly so rapidly as prices, and industrial disputes are frequent as pay advances are demanded. However, toward the end of the war, or shortly thereafter, commodity prices reach their peak and turn down. With the price deflation comes business depression for rural and urban dwellers alike. After the Civil War this came in 1865, as soon as hostilities ceased, but after the World War the primary post-war depression did not come until 1921. With the depression comes a collapse of the farm land boom, and the farmers find themselves burdened with the heavy mortgages placed at the earlier high land prices.

When this primary post-war price deflation and primary post-war depression have run their course, there ensues a period of urban prosperity. Food is now relatively cheap in the cities, for production has increased more rapidly than demand. Food constitutes a large part of the cost of living of the industrial workers, and when food prices decline more rapidly than wages the result is a period of hard times for the farmers, but of prosperity for city people. The world was moving through such a period from the depression of 1921 to the end of the prosperity in 1929. Two characteristic developments mark a period of that sort. The first is a boom in city real estate, with great activity in building construction, stimulated not merely by the prevailing economic prosperity of the city dwellers, but also by the making up of the building shortages that accumulated during the previous war period of inflated prices. The other development is general speculation in almost everything except commodities.

A period of this sort can last a long time, but eventually, it destroys itself. The real estate boom and the construction boom run to excesses. General speculation creates fictitious values. There comes a time when the country districts, with their diminished purchasing power, can no longer consume their normal proportion of the goods produced by the cities. Then comes a secondary decline in commodity prices, a collapse of city real estate values, and the secondary post-war depression, afflicting urban communities and country districts alike. During this secondary depression wages, prices and profits for both city dwellers and country people are painfully jarred and jolted back into a working adjustment that enables the nation, or the nations, to make progress in the long task of paying off the accumulated indebtedness.

Apparently it takes about ten years for the developments that have been described to take place. The peak of commodity prices in the Civil War came in 1864, and the first full year of the secondary post-war depression was 1874. After the World War the peak of commodity prices was in 1920, and the first full year of the secondary depression was in 1930. Our information about developments following earlier wars is fragmentary, but it appears to be true that a similar time-interval came between the peak of price inflation and the secondary depression following the Revolutionary War, and again after the War of 1812. Moreover, in each case there seems to have been the same sequence of (1) price inflation, (2) farm land prosperity and speculation, (3) price deflation and depression, (4) city prosperity and speculation, (5) secondary price deflation and secondary depression,

We are beginning to realize not only that these sequences follow wars, but that they do so according to a rather definite pattern.

If we had some wise, well-trained and studious economists 200 years old and still in the full possession of their powers, they would have lived through and observed the post-war sequence of business developments three times prior to this one. After having seen business follow the same pattern three times during and following the great wars, they probably could have warned us about what was going to happen following the World War.

The same sequence has been followed before in earlier war and post-war periods, but this time the whole world is involved. Instead of thinking about it in terms of country districts and city populations, we must remember that this time it affects whole nations, and almost all nations, all over the world. Our troubles are not the result of some mysterious and hitherto unsuspected weakness in our social system, nor can they be cured by adopting a five-year, or ten-year, or twenty-year plan of reorganization of our industries, our banks and our commerce. The true lesson of this depression is that we cannot afford any more great wars.

FEDERAL GRAIN LIMITED

Second Annual Report of the Directors

YEAR ENDED JULY 31, 1931

BALANCE SHEET AT 31st JULY, 1931

ASSETS			
Cash in transit and with Paying Agents, etc.			$ 39,463.09
Accounts Receivable, Etc.:			
General Accounts Receivable	$ 65,812.28		
Terminal Accounts, since collected	22,172.88		
Accounts secured by grain	39,063.65		
Agents' Cottage Loans	11,099.79		
Employees' Accounts	5,471.72		
Memberships since sold, at amount realized	29,600.00		
			173,220.32
Advances secured by grain			76,943.89
Stocks on Hand, as Certified by Responsible Officials:			
Grain, less stored grain		2,934,680.63	
Coal and flour		8,819.26	
			2,943,499.89
Accrued Earnings			220,849.65
Prepaid Expenses			29,357.26
Stocks and Bonds:			
Sundry, as valued at 31st July, 1930, with subsequent additions at cost		137,510.10	
Federal Grain Ltd. Bonds purchased in anticipation of Sinking Fund—Par $82,500.00 at cost		75,613.75	
		213,123.85	
Memberships, at cost		110,400.00	
Mortgages		6,993.52	
			330,517.37
Properties:			
Terminal and Country Elevators, Coal Sheds, Dwellings, Flour Sheds, Automobiles, Furniture and Miscellaneous Equipment, at cost		8,540,892.56	
Less Reserve for Depreciation		221,381.35	
			8,319,511.21
Deferred Charges:			
Organization Expenses, less proportion written off			67,815.08
			$12,201,177.76

LIABILITIES AND CAPITAL			
Bank Loans and Overdrafts (secured)			$ 2,783,683.06
Sundry Creditors			519,522.80
			3,303,205.86
First Mortgage Sinking Fund Gold Bonds			
Authorized	$6,000,000.00		
Issued, Class A 6%, maturing 1st August, 1949		$ 4,250,000.00	
Less redeemed through Sinking Fund		91,000.00	
			4,159,000.00
General Mortgage 6% Debentures:			
Authorized	$1,000,000.00		
Issued to Banks as collateral, repayable on demand		1,000,000.00	
Bond Redemption Reserve			6,382.11
Capital:			
Authorized			
40,000 6½% Cumulative Preference Shares of $100.00 each, redeemable at the option of the company			
160,000 Class A Common Shares of No Par Value			
40,000 Class B Common Shares of No Par Value			
Issued and fully paid			
30,000 Preference Shares		3,000,000.00	
200,000 Common Shares			
Amount apportioned as Capital		1,250,000.00	
			4,250,000.00
Surplus:			
Per Statement II. (subject to Income Taxes in respect of 1930-1931 profits)			482,589.79
Contingent:			
In respect of guarantee of Bank Loan of Lake Shippers' Clearance Association		11,000.00	
Cumulative Preferred Dividends not paid since 1st Feb., 1931			
			$12,201,177.76

STATEMENT OF SURPLUS FOR THE YEAR ENDED 31st JULY, 1931

Operating Profit		$789,399.42
Less Bond Interest	$249,540.00	
Depreciation	221,381.35	470,921.35
		318,478.07
Less Cost of wrecking, and rebuilding elevators and Losses on Realization of Assets, etc	87,878.41	
Proportion of Organization Expenses written off	16,953.77	104,832.18
		213,645.89
Less Preferred Dividends to 1st February, 1931		97,500.00
		116,145.89
Balance brought forward at 31st July, 1930		366,443.90
Balance at 31st July, 1931 (subject to Income Taxes in respect of 1930-1931 profits)		$482,589.79

Summary of Week's Annual Reports

A brief analysis of company earnings per annual statements received since last week's issue. Company name in bold type indicates stocks listed in Canada or New York. Net income shown is before preferred dividend, if any. Market prices are at close on Tuesday this week or last sale.

Company	Year end	Net income 1930-31 $	Net income 1929-30 $	Common earnings 1931 $	Common earnings 1930 $	Curr: divd. $	Balance car. fwd. 1931 $	Balance car. fwd. 1930 $	Mkt.	Mkt. times earn.	Yield %
Bissell, T. E., Co.	May 31	d 16,980	30,152	...	1.48	...	16,888	51,665	..	..	...
Blue Ribbon Corp.	June 30	210,269	*225,926	1.81	*2.05	2.00	139,993	121,533	16	8.8	12.5
Federal Grain	July 31	213,646	d188,556	.09	...	...	482,590	**366,444	..	..	...
International Power	Dec 31	563,763	600,869	...	...	...	243,473	239,710	5	..	...
Maple Leaf Milling	July 31	143,428	d4,993,156	...	...	...	†639,677	103,886	6	..	...
Porto Rico Power	Dec. 31	284,592	250,204	7.15	6.01	4.00	690,954	596,362	..	..	...
Tooke Bros.	June 30	‡41,578	118,684	...	5.70	...	§250,937	386,965	10	..	...

d Deficit or loss. *Before income tax. **After transferring from surpluses of constituent cos., $750,000. †After transfer of $1,000,000, reduction in stated capital. ‡After $54,936, loss on inventories, w/o. §After prov. $17,500 for deprec. of investments.

The National City Company
Limited

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377

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MONTREAL TORONTO WINNIPEG VANCOUVER

The MIDNIGHT RIDE *of the* HARD BOILED SHIRTS

IN the forward end of the truck a size fourteen shirt from Paris nestled against the bosom of a Nordic giant from Copenhagen. To the right were shirts from the high Bavarian Alps and the low Amsterdam canals. To the left, shirts from London and Aberdeen huddled together against the cold.

There was a thoroughly cosmopolitan company of shirts aboard that night, being taken for a ride . . . but let's start at the beginning:

You will remember, perhaps, that when the International Road Congress terminated its sessions in Washington late last year, delegates from the various countries made a tour about the United States.

Our hotel in Buffalo was on their itinerary. So we were expecting them. We were not, however, expecting the telephone call received twenty-four hours before the gentlemen arrived.

The call was from the tour conductor, who was in trouble. He said his party had been on the road for ten days; that they were to attend a civic function in Buffalo on the following day and that there wasn't a clean shirt in the crowd. Moreover, their schedule would bring them only as far as Rochester that night; and, worse yet, they wouldn't arrive there until midnight or later.

Then he asked the question we were expecting at that point: could we send to Rochester, get the delegates' soiled linen, bring it to Buffalo, launder it, and have it ready when the delegates arrived? Our answer was, yes.

So that night two representatives of the hotel set out for Rochester in a car, accompanied by a small truck. It was cold. Fifteen miles out snow began to fall—thick, wet snow. Hard going. But the men pushed on. They were in Rochester at twelve, but the delegates weren't. Their bus was long delayed by the storm.

The trip back to Buffalo was also slow. So [illegible] was much later than had been expected [illegible] the shirts from London and the shirts from Aberdeen were finally deposited on our laundry floor.

But special preparation had been made, an extra force kept waiting. A few hours later, when the delegates arrived each man found his linen waiting on his dresser top. Were they glad? They were so pleased they asked us to perform a similar service as they moved on toward our hotel in Detroit.

Of course we did this gladly. We are always pleased when someone takes literally the things we say in pride about our service, and asks us to prove our words with deeds. For such tests win us friends.

Our legion of friends continue to test us time after time. And they return to our hotels whenever they are in Statler cities; because they find here, not only *helpful, courteous* service, but every convenience which present-day travelers demand — private bath, radio reception, morning newspaper under the door, and all the other features which the Statlers were the first to develop.

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Debenture and Dividend Notices—26c per agate line.
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SUBSCRIPTION PRICE

Canada, United States, Mexico, British Empire, $5.00 per year; all other countries, $6.00.

Published by
THE MACLEAN PUBLISHING CO., LIMITED
143 University Ave., Toronto 2

MONTREAL, Southam Building, Murray R. Chipman, Eastern Manager; John E. Langdon, Eastern Editor. GT. BRITAIN, London, The MacLean Co. of Great Britain, Ltd., 2, 3 and 4 Cockspur St., London, S.W. 1. E. J. Dodd, Director.

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TORONTO, OCTOBER 3, 1931

BUSINESS PAPER EDITORS TALK ABOUT CONDITIONS

THIS week The Financial Post, co-operating with a number of the leading business newspapers of Canada, presents to its readers an unique survey of business conditions in Canada.

One of the most vital developments in recent business history is the rise of the specialized newspaper studying intimately and presenting with the fidelity that comes from specialization the trend of affairs in individual trades and industries. The New York stock market often rises and falls in reflection of the reports on conditions in such fundamental industries as iron and steel, issued by the journals covering those industries. Every important business conference finds business paper editors in attendance, not looking for human sidelights that will make good headlines, but finding out what business men are doing and thinking, studying broad general trends and surveying current conditions. Usually these conferences find business paper editors on the programme or back of the programme.

Day in and day out throughout the year business paper editors are in the field, visiting plants, conferring with executives, gathering and interpreting statistics, playing up new developments, criticizing trends that are unsound.

The good business paper editor is only at his desk long enough to read and answer his mail and to write his articles. He can not look out on his world from his office window and see more than superficialities. He is a key man in his line of business; he must be out where the plans are made, where the goods are manufactured and sold.

A high percentage of the business papers of Canada and of the business paper editors measure up to this standard. Evidence of the close relationship between various trades and their editorial observers is found in the surveys appearing in this issue.

More and more the daily newspaper becomes a reporter of the broad general phases of human activity, particularly in its social and political significance. As life becomes more complex the daily newspaper becomes a specialist only in the humanities. Other newspapers must specialize in the more individual phases of life such as medicine, society, sport, finance and business. The newspaper that attempts to cover the field of food distribution thoroughly can not afford the time to learn the intimacies of selling hardware or making castings. It must know business as a whole in a general sense but it must know its groceries thoroughly from coffee crop to cash register. With increasing specialization of the business press comes—and this is not the paradox it at first glance seems—increasing influence and power.

The business survey presented in this issue evidences the rise of the business press in the modern world.

INDUSTRY STILL SEEKS TARIFF IN BRITAIN

THE Federation of British Industries has amplified its previous pronouncements upon the subject of protection. It now insists that the tariff, if and when applied in Great Britain, shall be on a graduated scale, with different classes of commodities coming into different grades in order that the British trade balance may be corrected and British export trade stimulated without the nullifying effects of rising costs at home. The F. B. I. also considers that an elastic tariff is called for in order that immediate correction may be made of any undue dislocation or inconvenience engendered by what may prove to be an unwise application of the tariff principle.

At the same time the federation repeats its plea for preferential tariff arrangements with the Dominions.

Whether the case for a tariff in Britain has been strengthened or weakened by Britain's suspension of gold payments is a question which economists and politicians are now vigorously debating. Again it is quibbling between the short-term and the long-term viewpoint. Undoubtedly Britain's trading position has been immediately strengthened by the present inflation of her currency. But as is always the case with inflation she runs the risks of higher producing and living costs, which will in time offset much of the temporary advantage. And as an important creditor nation Britain will herself pay a large share of the cost of obtaining this advantage. Much of this loss is, of course, more apparent than real for like the capital reorganization of a company it merely confirms paper losses.

If Britain over-bought foreign goods in recent years at the expense of her own producers, she has also contributed to the downfall of the pound in another way—over-lending. Maintaining her position as one of the world's great capital markets has helped to create her crisis. And so with a shifting of trade currents must come a shifting of capital currents. Here again the decline in the pound is of at least temporary benefit, for it should shift capital to Britain for investment. We have been assured in recent years that the flow of British capital to Canada was shortly to be begun again on the pre-war scale. Vain hope, this, for now it is more likely that Canadians will be re-purchasers of some of their British owned securities. The return of British capital and the inflow of foreign capital will probably be even more marked from the United States. Thus every crisis carries within itself the seeds of its own remedy. We see this right in Canada with our dollar at ten per cent discount. Our extravagant governmental borrowing of recent years has received the rudely administered check it apparently required.

To us in Canada, there is a question of paramount importance raised by Britain's suspension of gold payments, followed by similar suspension of gold payments in other countries. It is freely urged now that the "fetish" of gold will be dissipated. It did not take Roger Babson long to start talking about gold as something useful only for picture frames and false teeth. Other observers agree that gold is to become relatively less important and in the discussion there is the suggestion that the nations that have suffered most directly from what they term "gold hoarding" in the United States and France will find a way to make the gold hoards as worthless as piles of unsold wheat or coffee. If this were to be the final development, the key position of our gold mines would be less promising.

It is much too early to talk about the abandonment of the gold standard. That Britain and the other nations of the world will be back on the gold standard again in the readjusted times that are to come may perhaps not be taken for granted but it is an expectation that has not been materially weakened by recent events. There may be devaluation but hardly abandonment of gold so early in the game of rebuilding the world's monetary system. False as it is in times of crisis the gold standard is still the best system the world has been able to devise and such systems are not built overnight.

The restoration of the gold standard at the proper moment and on the right terms will mark the return of Britain to prosperity just as its restoration at the wrong time and on the wrong terms in 1925 sowed the seeds of her present crisis. An enlarging group of the British people think that a tariff with Imperial preferences is a step in the direction of tying the pound to gold again.

DRIVING FORCE NECESSARY TO BUSINESS SUCCESS

AN INVESTMENT banker in Toronto, discussing recently the record of successes and failures of his firm, stated that they have not yet had one issue "go sour" where the company was controlled and managed by one man, who made the business his chief life work. Where mergers or refinancing jobs had caused loss to clients of his firm it had been because the previous owner or owners of the business had taken out all or most of their cash investment or had turned their chief attention to other affairs — perhaps speculation, perhaps the management of another business or even the enjoyment of well padded leisure.

Here is indeed an interesting and arresting experience. Investors have for years been warned not to invest in one man businesses; not to stake too much upon the ability or health of one individual. Yet in the present period of depression concerns that are largely dominated by a single individual are prominent among those that are maintaining their sales and profits figures.

Few industrial enterprises are ever started off successfully on a very large scale, the exceptions being such developments as pulp and paper mills, electro-chemical plants, metal refineries, etc., where gradual growth from small beginnings is not often economically practical. Manufacturing companies are soundly built when they are started in a small way by one or more individuals who provide the necessary capital largely from their own resources, who content themselves with small salaries, and proceed to give every ounce of their energy to their business, learning how to meet its problems as they go along and making their companies a sound reflection of their own personalities. After they have proven themselves and their companies — but not until then — they are justified in raising additional capital for expansion by selling securities to the public. If their plans are well and conservatively made, if they give to their larger enterprises the same intensive direction that they gave when they were the sole proprietors, they have a good opportunity of continuing their record of success but on an enlarged scale.

And all the while they will be gathering together the group of efficient young men, schooled within the business, who will be able to carry on when the original founders retire or die.

Unfortunately, however, it is possible in the financing or expansion of a business to lose that essence of individuality that is its chief continuing asset and its strongest assurance of permanent success. Many such companies have gone into mergers in recent years and the new controlling interests have made it their first job to get rid of the old management, to revamp the old policies and to standardize all their units. The consequences in far too many instances have been deplorable so much so that not a few have been decentralized as to management and control, and many will have to be completely unmerged if they are to succeed.

Other individual businesses have been bought out by banking groups who have sold securities to the public. Strange things have followed both for the former owners and the new owners. In some cases the former owners, as comfortable in their new freedom as the proverbial fish out of water, have quickly lost the accumulated capital of their life's effort in new and difficult ventures in the stock market or unfamiliar fields of industry. And the new owners have, in cases beyond number, found themselves ill-equipped to manage the new business, and it has lost much of its former prestige.

A similar sum of evil has followed from the overcapitalization or overmortgaging of plants as a result of such purchase and the subsequent sale to investors. Long established companies were denuded not only of their personal driving force but of their working capital and new working capital was supplied by the sale of new securities. The companies are unable, even under the most prosperous conditions conceivable, to earn an adequate return upon securities issued to provide for the capital for the purchase of the business, a profit to the promoters and bankers and the new working capital.

Some of the old stagers of industry, who thought they had retired in 1927 and 1929, will be welcomed back into management at the present time. And some of the new capitalizations will have to go through a process of writing down which will be merely recognizing on paper what the stock market crash has already done in effect.

CALENDAR REFORM

ON OCTOBER 12 there will be held in Geneva under the auspices of the League of Nations an international conference on calendar reform. It is generally agreed that the present calendar has many disadvantages for business and particularly many weaknesses from a statistical standpoint. The new calendar that has received the largest amount of support is one designed by Moses B. Cotsworth, a Canadian who is director of the International Fixed Calendar League. Mr. Cotsworth has some minority opposition to his plan from a rival association which plans a twelve-month year divisible into equal quarters. Mr. Cotsworth's plan provides for thirteen months, each of 28 days, of which the first day would always be Sunday. This leaves one extra day which would be disposed of by making it a sort of international holiday known as Year Day, while there would be a Leap Day every four years.

American business opinion has been sounded and overwhelmingly favors the thirteen-month calendar. French business men have also voted for this plan. The League of Nations has a committee studying calendar reform and found that 58 per cent of the population represented sixteen typical nations in favor of this plan. In Great Britain the Trades Union Congress has passed a resolution in favor of the fixed calendar, while British, German and other railway companies have passed like resolutions.

Of course, the chief opposition comes from the churches. The Roman Catholic Church has remained on the side lines, although the official Vatican organ has made the significant remark that it does not consider the reform of the calendar to be of a religious nature. The only important religious bodies to take a definite stand against the fixed calendar are the Jews and the Seventh Day Adventists.

Another benefit of the new calendar which appeals greatly to retail merchants and to most of the religious bodies of the world is fixing Easter Sunday on April 9 of each year.

Probably most business men as such would be in thorough agreement with the project for calendar reform. Many business houses now operate on the thirteen-month year of four weeks to the month. The Geneva Conference will be watched with considerable interest.

EDITORIAL NOTES

Both the H. C. of L. period and this deflation period demonstrate that price, which should be merely an abstract relationship, is, in effect, an actual concrete thing and that when we measure it by another concrete thing — money — which is not stable, we suffer far-reaching social consequences.

Somewhere in the yet unrevealed future lies the secret of price stability.

POST-scripts

SHIPS on the land? Well, no! but in the new Canadian Pacific parlor cars, one does get a sniff of the tangy deep. Anyone familiar with the interior cabins of an ocean-going ship, will recall the clever type of ventilator up near the ceiling—small and unobtrusive, with an opening about two inches across. It is on a pivot and swings with the direction of the wind. In the newest C. P. chair car, this type of ventilator has been incorporated with a decided improvement in ventilation. No longer is the traveller bothered with the heavy, smoke-laden air. If he has imagination, it is not difficult to think one's self on board a luxurious liner as he glances up at the ventilator, or settles down in a chair that is the acme of comfort.

A COMPOSITOR of an Ontario newspaper, in reprinting an editorial from The Financial Post on relief expenditures, evidently allowed his feelings to get the better of him. The article as quoted under his fiery touch concluded: "Then again if the Government pays wages according to some pre-existing standard it is delaying natural adjustment in wage scales, while if it pay wages purely on a relief scale !!;:'5'..,()??" This is a brave assertion but we cannot assume responsibility for its logic. However, we are looking forward to the same compositor's comments on Great Britain's lapse from the gold standard, which, if he runs true to form, should rival the fireworks display at the Canadian National Exhibition.

New Books

"How to Spend Your Money"

This excellent little volume, which was recently reviewed in The Financial Post, has now been brought out in Canada by Thomas Nelson and Sons, Toronto.

Written by a Canadian, Col. Ernest McCullough, it sets forth the fundamentals of finance, and the budgeting of the income. It is the sort of book that should be given by every father to his son or by corporation executives to their younger employees. A writer in an American magazine was arguing the other day for a teaching of investment fundamentals in public and high schools. Until this worthwhile plan is adopted Col. McCullough's book will prove a valuable stop-gap. It sells for $2.

"How to Read the Money Article"

Reading the financial news in Canada and reading the financial or city pages of London newspapers are quite different in many ways. Yet some Canadians will find a value in a book, just revised and republished by Effingham Wilson, 16 Copthall Ave., London, E.C. 2.

It was in recognition of general public's increasing interest in the science of money that thirty years ago Charles Duguid, one of the foremost city editors of his time, wrote "How to Read the Money Article." Mr. Duguid's book has now come to be recognized as a standard elementary work on money matters. Its method is the ingenious and practical one of making the city article in the London daily newspaper the basis of an explanation, each item appearing in the city news being discussed and its meaning made clear. Charles Duguid, died in 1923. "How to Read the Money Article," has now been thoroughly brought up to date by F. W. H. Caudwell, author of "A Practical Guide to Investment" and "A Preface to Mining Investment."

It sells at 5s net.

In the Mail

Suggests Investments Now

Editor, The Financial Post,

At present many men of small, or moderate means seem to have lost sight of the fact that to complete a transaction there must be a buyer as well as a seller.

When you throw your stocks overboard somebody therefore must buy them.

The buyer may be another man of your own calibre, but more likely your stock is going into the hands of the big man, who, having cash or credit available, buys at distress prices stocks which intrinsically and on their dividend records, are worth far more than their present market prices.

All this tends toward the accumulation of wealth into the hands of the few.

Instead of selling your stocks at these distress prices you should add to your holdings of stocks in companies of good record, and whose management has been successful in the past.

But don't speculate. Only buy what you can take up and actually pay for!

Such purchases would reduce the floating supply of these stocks, and so very soon there would come an end to this price crashing. Any distinct evidence of steadiness in prices would bring some return of confidence, and the country would gradually begin to emerge from the present morass.

MAN OF MODERATE MEANS.
Montreal, P.Q.
Sept. 22, 1931.

Other People's Views

Wasted Capital

Manitoba Free Press.—It was not only in Canada that the financial enthusiasts and schemers herded the lambs together for a shearing. In the voluminous report of the MacMillan Commission there is a note upon the wastage of British capital as a result of the boom in stocks. From this report it appears that in one year, 1928, there were floated in London 284 companies to which the public contributed capital to the extent of £117,000,000. In May, 1931, the total value of these investments was only £66,000,000. Seventy of the companies had been wound up, and the capital of 36 others had no ascertainable value. Perhaps the public will remember, when good times come again, to take the large claims of optimistic prospectuses with a grain of salt; but they will be more apt to swallow them as eagerly as they did in 1928. Prudence is not humanity's strong point.

"Stop Me If You've Heard This One"

"So your husband tried to get a government post? What is he doing now?"

"Nothing; he got the post."

"Yes, sir; I spent $25,000 on my daughter's education, and now she's gone and married a fellow with $1,500 a year. What do you think of that?"

"Oh, well, it's 6 per cent on your money, ain't it?"

Population of 25,000,000 Envisioned by Burton

But National, Non-Partisan Plan of Development is Essential Prelude to Such Growth

By C. L. BURTON,
President, Robert Simpson Co., Ltd., Toronto, in address to Canadian Chamber of Commerce Convention, Regina.

The discoveries of science and the triumphs of engineering have put an entirely new complexion on the problems of development. My hope is as we project ourselves into the future that we shall determine upon a policy of development beyond our best dreams of the past.

The production of new wealth by our limited population has been nothing short of marvellous. However, when one turns to the question of population we must admit that we continue to be disappointed at the comparatively small numbers which constitute our population.

There is something wrong with our general planning which has resulted in the development of material resources not being accompanied by an active and substantial increase in population.

New Plans Needed

We have arrived at the place where it is quite doubtful if we can go on and greatly increase our production from natural resources unless we revise our plans and methods and make it possible to sustain and provide for a very important and progressively increasing number of people.

May I presume to say that one of the reasons why we have not increased our population in proportion to our material development is that we have disregarded the most important of all natural resources—namely, our man power.

The situation at the present time is that approximately ten millions of people are possessed of $28,940,000,000 of wealth.

The annual production of new wealth as reported by the Dominion Bureau of Statistics for 1929, is in the neighborhood of $6,846,171,400.

This great heritage of national wealth takes no account of those uncharted and hidden forms of material natural wealth which only the future will reveal. The annual production, however, is so substantial an amount as to give us confidence in committing ourselves to a great deal more active policy of development than has characterized our policies in the past.

Production in 1929

For the calendar year 1929 our manufactured goods amounted to over $4,000,000,000 and totalled for all products 6,846 million dollars. These figures of gross estimated production must be reduced by the cost of production. According to the 1929 figures the net value of Canada's production was 3,946 millions. In other words the net addition to our new wealth was the net value of nearly 4 billions in 1929:

We frequently see statements published of the total factory production of Canada, and there is no question that the total of over four billion dollars is a handsome accomplishment by our manufacturers.

The balance of nearly three billions, however, from the standpoint of new wealth is much more important, as in the case of manufactured goods there is a comparatively small margin of net profit, whereas in natural products in a year like 1929, and in the normal condition, the margin turned into new wealth is much greater.

Therefore while we should prize the manufacturer and his efforts and encourage and see that his position is improved, first should come the producer of natural wealth, and every effort should be directed to new development, new production and the marketing of the same and the safeguarding of the interests of the people engaged in these primary pursuits.

Need Population Density

Any manufacturer who endeavors to do business in Canada from coast to coast will tell you that production and selling costs would be greatly lowered if we had a greater density of population in the field of natural products, and that more customers is more important than more tariff.

Notwithstanding the fact that certain of our provinces are notable for great single lines of wealth, every province of Canada possesses diversification of wealth that makes the promise for the future a very hopeful one from one end of the country to the other.

In the past few years wealth from water powers has been usable and the possibilities for the future cannot easily be estimated.

Good roads recently built have brought us an entirely new source of annual wealth—viz: tourist traffic. In the last seven years for which Government statistics have been prepared we have enjoyed 1,668 million dollars of tourist money.

Here is a new source of wealth, a new resource which is neither a factory activity nor a production activity.

It will be admitted that this traffic while temporarily less than the peak has held up very well and holds great promise for the future.

Canada's wealth of scenery and the various physical attractions of the summer and autumn are well known, but we have even a greater and more attractive prospect in our wonderful Canadian winter, and I can well imagine that if proper provision is made for such as seek to come to us for winter recreation more millions can be gathered in winter annually than our whole present traffic yields us.

Investment Possibilities

Time was when our annual production of new wealth was so insignificant as to render the investment in development enterprise a very hazardous affair, but the enormous production of new wealth annually at this stage of our development is such that we have a basis for credit and a magnet for the attraction of capital that we have little realized. The present volume of production should encourage us to begin on a policy of development as yet undreamed of, and this body should offer its assistance in the formation of new government policies both federal and provincial, and should press for the adoption of such measures as will greatly change the whole Canadian national outlook.

Previous to 1912 we depended largely upon British capital for the development of Canadian resources, and we have many creditable examples of British enterprise to record in the early stages of our development and a persistence of effort and a continuance of faith in Canada, in spite of the occasional discouragement and disappointment.

Economic Changes Since War

The economic changes, largely resulting from the war, broke the continuity of the stream of British investment, and the rise to great wealth of our neighbors to the south, and the accumulations of large surplus funds for hazardous enterprise, as well as their more intimate knowledge of our situation, has resulted in American capital largely replacing the former British flow for investment.

Credit For New Development

We shall undoubtedly continue to attract very important sums for the support of individual enterprise, but the situation, I believe, justifies the hope that we shall use the country's credit for purposes of sound development to an extent which we have never contemplated in the past.

Credit for the country, like credit for the individual, is based on two principal factors, namely earning power and capacity to manage.

With an annual new production of nearly seven billions of dollars, and as we have the people of character and ability from whom sound business administration can be supplied, there is no reason why we should regard the present national debt of Canada, large and weighty as it is, as a burden beyond our capacity to carry, nor should we hesitate in adding to this important debt, to obligate ourselves further, provided such new undertakings are for further development work which will, as it proceeds, greatly add to our annually produced wealth and trade.

To speak of greater production at the present time when many people are feeling the pressure of what is so-called "over-production" may be considered doubtful wisdom, but the economic troubles in the midst of which we now struggle should not blind our eyes or weaken our muscles to push forward and assume the job which the future presents to us.

Manhood Loss in War

It is probable that the present world economic situation is greatly intensified in its severity by the absence from our daily activities of those millions of human beings who lost their lives in the war. It is further intensified because other millions who were in their youth while in that great fight were deprived of their early apprenticeship and training for the ordinary affairs of life. We shall never be able to estimate the extent and importance of this loss. It has fallen very heavily upon Canada, because we are a young country with a small population, and the enterprise and imaginative power of those who passed from our midst are not here to help us manage and operate the political and industrial affairs which we have to handle. They sacrificed that we might enjoy our heritage denied to them.

It will be but a few years now,

(Continued on page 10)

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and
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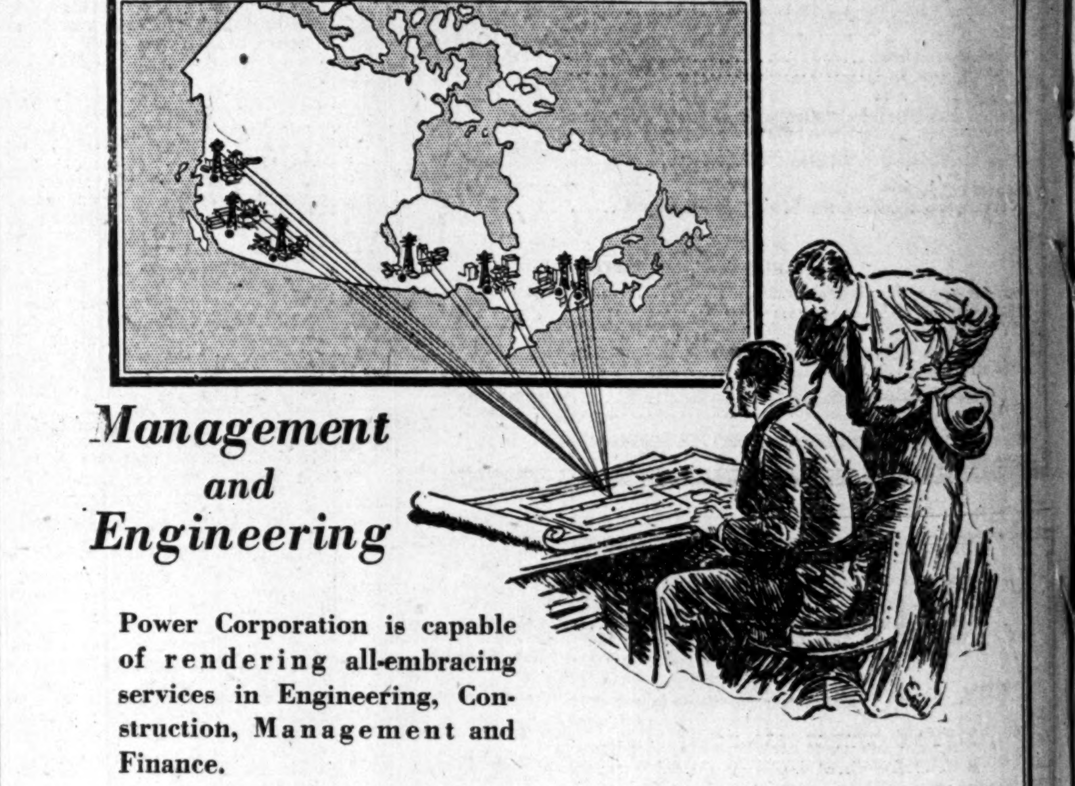

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ENGINEERING AND CONTRACTING; INDUSTRIAL PLANTS; POWER PLANTS; HYDRAULIC WORKS; RAILWAY CONSTRUCTION

355 St. James St., MONTREAL, Canada

Business Conditions in Canada

The Week in Business

Business Awaits Exchange Stabilization
Pulp and Paper Industry First to Benefit
Wheat Clouds May Soon Disappear

JUST how far the violent ups and downs of world exchange rates will affect Canadian business will probably not be determined for some time yet until various currencies adjust themselves to some degree to the new order of things. The immediate effect will probably be a curtailment of Canadian international trade, for by and large Canadian buyers of foreign merchandise will probably be quicker to sense an adverse situation than foreign sellers will be to take advantage of a favorable opportunity. Thus, already, word has come from many different lines, of orders placed in the United States that have been cancelled because the buyer has at his finger tips the respective cost of similar domestic merchandise and can tell almost immediately when the balance turns in favor of one or the other. On the other hand although Great Britain now has undoubtedly a distinct advantage in this market against the U. S. it will probably take some little time for her salesmen to make Canadian contacts and start the inflow of British merchandise.

Then too, so much depends on the extent to which the various currencies are debased—a matter which has serious and far-reaching implications when it is remembered that at least seven important countries have within the past ten days followed Great Britain off the gold standard, thus adding further confusion to an already complicated situation.

* * *

THE most immediately beneficial effects will probably be felt in the pulp and paper industry since most of our exports are under contract and it is reasonable that they will be maintained irrespective of what the discount is on Canadian funds in New York. Exports of newsprint and wood pulp amount currently to $11,000,000 a month, and with a favorable exchange rate for Canada of nearly 10 per cent it is obvious that here is about $1,000,000 of found money which will be received by Canadian companies exporting to the United States.

* * *

A FEW days ago the Dominion Bureau of Statistics issued its monthly summary of the wheat situation as it affects Canada and world countries. Coming as it did almost simultaneously with an avalanche of sensational financial news it has been perhaps overlooked by many papers which would otherwise have given publicity to it. Briefly it portrays a most hopeful outlook for next season and gives encouragement that the clouds which have been hanging so heavily over the heads of Canadian wheat growers may be dispelled within a reasonable time. Among constructive factors it notes that as far as Europe is concerned, high prices have failed to induce any appreciable increase in wheat acreage in normally importing countries. On the other hand a large contraction in wheat acreage of the big exporting countries of U. S., Argentine and Australia is indicated within the next twelve months. It also notes that the absolute amount of accumulated surplus of wheat has never been large although its importance in weighing on the market has been great. Indications now point to a substantial reduction of this surplus, added to which is the definitely increased use of wheat as both human and animal food as a result of low prices in exporting countries. Finally it is pointed out that the present situation in the world wheat arena definitely strengthens the disposition to hold stocks of wheat which led Mr. Broomhall to say last month: "We feel certain there will be a tendency to import freely and reconstruct stocks at the low prices now ruling."

TORONTO RISES, MONTREAL DROPS IN EMPLOYMENT

September Index For Canada Lower Than Since 1926

In spite of a continuation of the seasonal upturn in the Dominion Bureau of Statistics' employment index, the figure at the beginning of September was still below that at the corresponding date in any year since 1926. It is, however, at 107.1, two points higher than on August 1, due largely to heightened activity in highway construction work undertaken for the relief of unemployment in Quebec. Logging and mining also contributed to the improved situation, but in manufacturing there was no general change, while building and railway construction and trade were appreciably slacker.

Besides Quebec, the Prairie Provinces also recorded some improvement. Ontario remained practically unchanged, while the Maritime Provinces reported contractions.

Employment conditions in cities, as compiled by the Dominion Bureau of Statistics, were as follows:

Montreal.—Employment in Montreal showed a slight falling-off on Sept. 1, 404 workers having been released from the pay-lists of the 1,007 co-operating firms, who employed 138,204. Manufacturing (except of clothing and tobacco products) reported general contractions, and transportation was also slacker, but construction and trade showed improvement. The index was lower than on the same date in 1930, although a greater contraction had then been recorded.

Quebec.—A slight increase was indicated in Quebec, according to 136 employers of 13,411 persons. Minor gains were noted in manufacturing, services and construction, while there were similar losses in trade. Employment as reported by employers was not so active as at the beginning of September of a year ago.

Toronto.—Manufacturing showed considerable improvement, while construction, trade and local transportation recorded declines. Statements were received from 1,094 firms with 118,713 workers, or 382 more than on Aug. 1. A fairly large decrease had been indicated on the same date of a year ago, but employment was then above its present level.

Ottawa.—There was a decline in Ottawa, chiefly in manufacturing and construction. The 159 firms furnishing returns reported 14,193 employees, compared with 14,349 in the preceding month. On Sept. 1, 1930, a reduction involving a much larger number of workers had been noted, but the index then was rather higher.

Hamilton.—Manufacturing (particularly of iron and steel products), transportation and construction reported contractions in Hamilton, while other industries showed little general change; 234 employers recorded 30,058 persons on their payrolls, as against 30,635 on August 1. Employment was in smaller volume than at the beginning of September of a year ago, when considerably greater curtailment had been indicated.

Windsor and the Adjacent Border Cities.—A slight advance was registered in the Border Cities, where the 134 co-operating firms reported 9,542 workers, as against 9,217 in the preceding month. Automobile plants afforded increased employment, but construction was not so active. A much smaller gain had been noted on the same date of last year, but the index was then considerably higher.

Fall Upturn Lacks Usual Strength

	Canada	United States
Commodity Prices:	Wheat fails to maintain previous gain, cash price under 55 cents.	Weekly wholesale index declines to 1913 average of 100 despite previous strength.
Iron and Steel:	August pig-iron output lowest since Dec. 1924. Steel 16 p.c. over July, but 11 p.c. below Aug. 1930.	Iron and steel demand subsides to August level at 29 p.c. of capacity.
Foreign Trade:	Instability of foreign exchange proves deterrent to trade generally.	For 8 months, exports lower by 37 p.c. imports by 33½ p.c. than same period 1930.
Car Loadings:	Week ended Sept. 19, 7¼ p.c. over previous week; 26 p.c. below 1930. To date 20½ p.c. under last year.	Week ended Sept. 12, 31 p.c. under same week last year, all commodities affected. To date, decline is 18½ p.c.
Employment:	Seasonal upturn subnormal; index at Sept. 1 lower than for any year since 1926.	Factory employment index lower for August, 74.7 as against 76.3 July, and 86.6 August, 1930.
Stock Markets:	Markets slow and price ranges show weak, confused sentiment. Pegged list at standstill.	Resistance at end of last week not sustained, many industrial and utility issues sinking to new lows.
Week's Highlight:	Low level of inventories in most lines proves of benefit in present adverse exchange situation.	Business opinion tends to view that current adjustment of wages will prove constructive factor.

Usual Fall Impetus Lacking in Most Areas

Prairies Alone of Five Economic Areas Show Business Activity Maintained in August

By SYDNEY B. SMITH

As the seasonal impulse characteristic of the early fall was lacking in Canada this year, the trend of business activity after adjustment for seasonal tendencies showed further reaction. Conditions in each of the five economic areas were less favorable in August, with the possible exception of the Prairie Provinces, where the business index was a little more than maintained due to special circumstances. The indexes relating to the economic areas are compiled from seven factors. These include the current trend in the power and construction industries, employment is represented by two factors, while bank debits and sales of life insurance present an index of financial conditions.

The data for August presented no definite evidence that the depression had lifted nor that an early termination could be anticipated. Financial difficulties in other countries have since complicated the situation. Only an event of outstanding importance would restore confidence under the present circumstances. Failing such a development dependence must be placed on gradual readjustment. Departure from the gold standard may confer a temporary advantage in some directions but it is not a development that tends to inspire confidence.

Maritimes Quieter

The business index of the Maritime Provinces reflected reduced operations, the drop being from 127.0 in July to 121.8 in August, representing a decline of 4.1 per cent. Building was surprisingly active in the six reporting cities, the total value being about $500,000, compared with $391,000 in July. The award of construction contracts was at low level, the new business in August being valued at $1,167,000 compared with $2,693,000 in July. The rebuilding of the winter port facilities at Saint John West provides work of considerable magnitude.

The decline in employment was greater than normal for the season, the index after seasonal adjustment showing a drop of 3 per cent. Logging operations showed some improvement but were at a much lower level than at the first of September of last year. The decline in the output and consumption of electric energy reflects the reduction in demand for industrial purposes. The financial factors, bank debits and sales of life insurance were slightly better in August than in the preceding month after the usual adjustment for seasonal tendencies. Placements by employment offices showed a decline greater than normal for the season.

Quebec Index Reacts

The index of business conditions in Quebec showed a reaction, but the rate of decline was not so great as in the two preceding months. The level of operations was still 4 per cent greater than the average for 1926. The index was 104.0 in August, the average for 1926 being regarded as equalling 100. The decline in August from the preceding month was limited to 1.7 per cent.

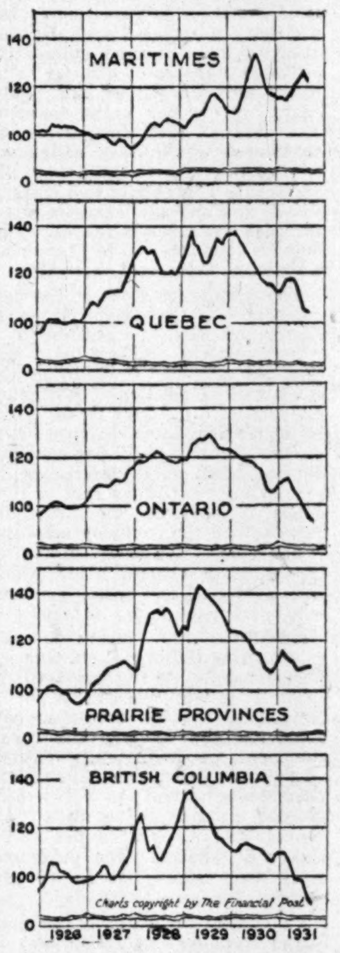
The construction industry in Quebec made a poor showing during August. Intimations have been made that the railway terminal construction in Montreal may be postponed and other projects of importance are delayed pending the return of prosperous conditions. Highway construction, mainly as a relief measure, was active at the first of September and it was mainly due to this development that the index of employment showed a gain in the month under review. The increase after seasonal adjustment was 7.8 per cent, but the nature of the gain did not reflect improved economic conditions.

A gain which was of more significance for the purpose in hand was in the output of electric energy. The gain after seasonal adjustment was 4.6 per cent and deducting the exports and sales to Ontario, a gain was also shown in the consumption within the province. After seasonal adjustment bank debits showed a gain of 3 per cent and sales of life insurance were up 2 per cent. Placements by employment offices indicated greater activity in this line than in July.

Ontario Off 3 Per Cent

The compilation sheet for Ontario shows only one favorable factor out of the seven considered here. The index for August was therefore 3 per cent lower than in the preceding month, the standing being 92.5 compared with 95.3. The awards of construction contracts were valued at $10,240,000 compared with $9,362,000 in July, a gain after seasonal adjustment of 16 per cent. The remaining factors presented an unbroken line of declines. The business index was consequently lower than in any month since 1925.

Still there were several encouraging features. Despite a dry season in some parts of the province, good crops were harvested, the volume at least being greater than the average. The gold mining companies continue the expansion which has been in progress for some time and



the industry is operating under favorable circumstances. Recent increases in the prices of silver will prove an impetus to silver mining operations. The automobile industry was more active in August than in the preceding month.

Conditions in the Prairie Provinces were uneven in August, the index being a little more than maintained. The August compilation was 109.7 compared with 109.5 in July. The receipts of wheat at the country elevators and platform loadings were 11,862,000 bushels in August compared with 21,248,000 bushels in the same month of last year. Despite the short crops in Saskatchewan and Manitoba, prices remained at extremely low levels raising a difficult situation.

Building permits in the three provinces during August were valued at $1,012,000 compared with $809,000 in July. The index of employment showed a further gain in August after the sharp increase of the preceding month, the highway construction programme being mainly responsible for the relatively high level of employment, although mining and local transportation showed minor gains. The index of employment on the first of September was at the same level as on the same date of last year, but it must be remembered that agricultural employment is not included in the index.

The summary of conditions in British Columbia as disclosed in the compilation for August was mainly unfavorable. Employment in shipping, mining and trade showed gains while construction and manufacturing were less active. A recent trade agreement arranged with Australia will encourage shipment of newsprint, one of the products of the province. The plans of the B. C. Power Corporation, recently filed, provide for the development of 157,000 h.p. on the Campbell River of Vancouver Island.

Sales of insurance showed a gain of 4 per cent in August, while the other six factors registered declines. The general index for British Columbia was 89.6 in August compared with 90.9, a drop of 1.4 per cent.

August Pig Iron Output Lowest Since Dec., 1924

Production of pig iron in Canada during August made a new low for the year amounting to only 23,212 tons as compared with 40,303 tons in the previous month. This is the smallest tonnage reported for any month since the 22,544 tons of December, 1924.

For the eight months ending August 31, the cumulative production of pig iron in Canada totalled 362,737 tons or but 73 per cent of the 573,321 tons for August, 1930, and comparing with 730,871 tons in the corresponding period of 1929. The year's output to date included 275,612 tons of basic iron, 60,004 tons of foundry iron and 27,121 tons of malleable iron.

Steel ingots and castings, on the other hand, at 52,491 tons, showed an advance for the first time since March, the high month for the year. Total to date is 559,465 tons, or 73.35 per cent of the output for the same period 1930, composed of 529,199 tons of ingots and 30,266 tons of castings.

More Cattle, Less Swine on Canadian Farms, 1930

Estimated number of farm animals in June, 1930, showed increases in cattle and sheep and a decrease in swine, in comparison with the same date in the preceding year, according to a report prepared by the Dominion Bureau of Statistics. Under the general heading, cattle, a reduction in the number of milch cows from 3,684,766 in 1929 to 3,683,000 is more than compensated for by an increase from 5,139,866 to 5,254,000 in other cattle.

Sheep increased by about 60,000 to 3,696,000, and swine decreased about 381,000 to 4,000,000 as at June, 1930, while the total of all classes of poultry on farms increased by about 862,000 to 60,795,000

British Exhibitors at C. N. E. Pleased

Exhibitors in the British Section of the Canadian National Exhibition have expressed great satisfaction with the results obtained, according to an announcement issued by the Federation of British Industries from London, England. The communication states that nearly all exhibiting retailers report an increase in sales over last year.

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1931	Weekly Latest 1930	Cumulative Jan. 1 to date 1931	Cumulative Jan. 1 to date 1930
C.P.R. Gross Earn. (Sept. 21)	$ 2,980,000	$ 4,742,000	$ 102,177,000	$ 130,231,000
C.N.R. Gross Earn. (Sept. 21)	$ 3,832,248	$ 5,009,672	$ 128,925,794	$ 162,531,198
Car Loadings (Sept. 19)	53,699	72,719	1,835,741	2,807,394
Common Stock Index (Sept. 24)	62.6	185.2	......	......
Production—	Monthly			
Pig Iron, tons, (Aug.)	23,212	57,459	362,737	573,321
Steel, tons (Aug.)	52,491	57,626	559,465	762,663
Newsprint, tons (August) ..	165,124	202,043	1,486,823	1,706,562
Automobiles (Aug.)	4,544	9,792	74,849	130,665
Boots and Shoes, pr. (July)	1,456,822	1,414,872	10,435,799	10,187,455
Flour, bbls. (July)	1,319,008	1,435,970	7,967,781	8,644,196
Mineral Production—				
Gold, oz. (June)	233,300	175,480	1,263,303	976,057
Silver, oz. (June)	2,183,000	3,104,000	11,770,929	13,222,672
Nickel, tons (June)	2,175	4,292	20,845	27,555
Copper, tons (June)	11,865	13,049	76,638	78,768
Lead, tons (June)	12,337	14,446	81,062	86,102
Zinc, tons (June)	11,297	11,253	66,840	61,685
Coal, tons (June)	887,859	1,340,223	5,867,698	7,470,047
Nat. gas, M. cu. ft. (June) ..	1,555,000	1,305,000	14,971,921	15,928,885
Petroleum, bbls. (June)	148,300	121,400	954,125	639,882
Automobile Financing—				
Used Cars (Aug.)	$ 1,485,153	$ 2,919,461	$ 16,187,881	$ 24,784,569
New Cars (Aug.)	$ 1,417,484	$ 2,003,901	$ 16,500,878	$ 24,137,552
Construction—				
Building Permits (Aug.) ..	$ 8,224,074	$ 14,029,564	$ 76,575,853	$ 115,268,330
Contracts (August)	$ 26,142,600	$ 49,407,200	$ 217,184,900	$ 327,407,600
Labor—				
Employment Index (Sept) ..	107.1	116.6	......	......
Trade—				
Imports (August)	$ 47,308,000	$ 77,906,294	$ 449,619,844	$ 705,771,229
Exports (August)	$ 48,763,652	$ 69,290,228	$ 390,159,193	$ 582,198,172
Imports of Key Products—				
Rubber, raw, lbs. (Aug.) ...	5,160,225	4,722,597	41,380,888	48,825,337
Cotton, lbs. (July)	4,374,000	4,732,000	50,581,000	50,657,000
Sugar, raw, lbs. (July)	78,978,500	117,446,400	441,606,700	419,861,100
Petroleum, crude, gal. (Aug.)	106,065,392	100,570,898	668,538,344	667,214,202
Coal, tons (July)	1,245,095	1,781,183	6,610,435	9,011,969
Exports of Key Products—				
Newsprint, tons (August) ..	160,175	170,106	1,343,153	1,536,767
Automobiles, No. (Aug.) ...	740	3,922	11,816	31,048
Wheat, bus. (Aug.)	11,909,108	17,639,228	111,800,735	96,711,722
Wheat flour, bbls (Aug.) ..	522,178	627,233	3,654,403	6,988,349
Electric Power—Output—				
M. Kilowatt hours (July) ..	1,239,645	1,425,690	9,523,343	10,375,637
Population—				
Emigration (June)	1,226	3,392	6,695	25,071
Immigration (June)	3,169	13,175	15,510	54,385
Finance—				
Failures, No. (July)	152	169	1,261	1,374
Failures, Liabilities (July) ..	$ 2,511,041	$ 2,540,478	$ 25,364,054	$ 28,948,803
Bank Debits (July)	$2,400,403,969	$3,093,985,410	$18,825,548,263	$22,119,155,224
Bond Sales (August)	$ 1,876,639	$ 31,145,400	$ 973,719,350	$ 458,629,160
Insurance Sales (Aug.)	$ 35,738,000	$ 86,249,000	$ 337,217,000	$ 375,488,000
Wholesale Prices (1926)=100—				
General Index (Aug.)	71.0	83.7	......	......
Iron & its products	86.8	90.7	......	......
Cotton, raw	41.2	68.8	......	......
Grains	37.5	64.3	......	......
Livestock	76.1	95.0	......	......

SEVEN MAKERS OF AUTOMOBILES GET AUGUST GAIN

Plymouth Leads East. Canada Sales in Increase Over 1930

Higher sales for Plymouth, Pontiac, Willys, Hupmobile, Auburn and Cadillac automobiles in Eastern Canada were recorded in August according to an analysis of passenger car sales in that territory made by The Financial Post from figures compiled by Might's Directories, Ltd., and published in Canadian Automotive Trade.

Total cars sold in Ontario and Quebec during August numbered 2,803 as against 4,530 in the corresponding month last year, and 4,484 in July, 1931. Ford sales in these two provinces totalled 734 units as compared with 1,470 for the same month of 1930, representing a drop of exactly 50 per cent, while McLaughlin-Buick sales numbered 114 cars as against 358 a year ago, a reduction of approximately 68 per cent. Durant dropped from 226 to 96 cars, Essex from 136 to 75, and Studebaker from 120 to 50 in the same area.

The advance made by Plymouth was the most notable, sales for the month in the two provinces numbering 324 cars as compared with 287 in August 1930. Pontiac sales increased from 153 to 174, and Willys from 29 to 67. Chevrolet sales came within 12 per cent of last year's August figure with 584 cars sold in the month.

For the year to August 31, the number of units sold in the area totalled 41,834 cars, compared with 58,079 last year, a reduction of 16,245 or nearly 28 per cent. Comparison of sales for the more popular and lower-priced cars in these provinces for the eight months period are as follows:

AUTO SALES TO AUG. 31

	1931	1930	+ or —	%
Auburn	618	275	+ 338	128.9
Chevrolet	10,448	10,083	+ 365	3.6
Durant	1,428	3,826	—2,398	62.7
Essex	1,438	2,510	—1,072	42.7
Ford	11,134	19,119	7,985	41.7
McLaughlin	2,149	2,167	— 18	...
Oldsmobile	1,162	1,152	+ 10	...
Plymouth	1,744	2,881	—1,137	39.5
Pontiac	3,244	3,065	+ 179	5.8
Studebaker	850	990	— 140	14.1
Willys	976	423	+ 553	130.7

Aug. Auto Output Makes First Gain for 4 Months

Production of automobiles in Canada during August amounted to 4,544 cars. This output was 7 per cent over July, the low point for the year to date, and was the first in four to show an increase over the preceding month. In August, 1930, output was reported at 9,792 cars.

Customs' records for the month under review showed that 268 cars were imported into Canada and that 797 cars were exported. Figures for the first eight months of this year showed total imports at 8,209 cars and exports at 12,257 cars, as compared with imports of 19,156 cars and exports of 31,390 cars during the corresponding period last year.

August Shows Further Drop in Auto Financing

Automobile financing at $2,902,637 showed a decrease in August as compared with July of 30.8 per cent, and was 41 per cent lower than that for August last year, this comparison being the lowest of any month so far this year. Financing of used vehicles showed the severest drop, being 49 per cent lower than August, 1930; new cars and trucks were 29 per cent lower. The number of new units financed was 2,187, and used vehicles 4,606.

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The Survey of Mines is the only complete record of mining activity in Canada available in permanent form. It is a vivid compilation of facts relating not only to the industry in a broad sense, but to the various companies that together form that industry. It is a reference volume for everyone interested in the great and growing mining industry, whether as an operator, mine executive, financier or investor. It holds its place as the one authoritative reference volume on the desks of all those whose interests, either directly or indirectly, touch the mines.
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DIVIDEND NOTICES

Canadian Power & Paper Investments, Limited

Preferred Dividend No. 11

A DIVIDEND of 1¼% (being at the rate of 5% per annum) on the 5% Cumulative Convertible Preferred Stock of CANADIAN POWER & PAPER INVESTMENTS, LIMITED, has been declared for the quarter ending October 31st, 1931, payable November 16th, 1931, to shareholders of record at the close of business on October 20th, 1931.

By order of the Board,

L. C. HASKELL, Secretary.

Montreal, September 25th, 1931.

PENMANS LIMITED

Dividend Notice

Notice is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1931.

On the Preferred Stock, one and one half per cent. (1½%), payable on the 2nd day of November to Shareholders of record of the 21st day of October, 1931.

On the Common Stock, One Dollar ($1.00) per share, payable on the 16th day of November to Shareholders of record of the 5th day of November, 1931.

By order of the Board.

C. B. ROBINSON, Secretary-Treasurer.

Montreal, September 28, 1931.

THE FOUNDATION COMPANY OF CANADA LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of twenty-five cents per share on the no par value common stock of the Company has been declared for the three months ending October 31st, 1931, payable on November 14th, 1931, to Shareholders of record at the close of business on October 31st, 1931.

By Order of the Board.

C. E. GREARSON, SECRETARY.

Montreal, September 24th, 1931.

English Electric COMPANY *of Canada, Ltd.*

Dividend Notice

Notice is hereby given that the regular quarterly dividend of Seventy-five cents (75c) on the Class "A" Stock of this Company has been declared for the quarter ending Sept. 30, 1931, payable Oct. 15, 1931, to shareholders of record Sept. 30, 1931.

By order of the Board.

A. MUNDY, Secretary.

Toronto, Sept. 24, 1931.

Dominion Textile Co. Limited

Notice of Preferred Stock Dividend

A DIVIDEND of One and Three-Quarter per cent. (1¾%) on the Preferred Stock of DOMINION TEXTILE COMPANY Limited has been declared for the quarter ending September 30th, 1931, payable October 15th, 1931, to shareholders of record September 30th, 1931.

By order of the Board.

JAS. H. WEBB, Secretary-Treasurer.

Montreal, September 2nd, 1931.

HAMILTON BRIDGE COMPANY, LIMITED

Notice of Preferred Stock Dividend

Notice is hereby given that a dividend of 1⅝% has been declared on the outstanding 6½% CUMULATIVE FIRST PREFERRED STOCK of Hamilton Bridge Company, Limited, for quarter ending October 31st, 1931, payable the 1st day of November, 1931, to Shareholders of record as at the close of business on the 15th day of October, 1931.

By Order of the Board.

F. G. WILSON, Secretary.

Montreal Tramways Company

DIVIDEND NOTICE

Notice is hereby given that a Dividend of TWO DOLLARS AND FIFTY CENTS ($2.50) per share, for the quarter ending September 30th, 1931, has been declared upon the paid in Capital Stock of the Company, to Shareholders of record on Wednesday, the 7th day of October, 1931, at 4 o'clock p.m. and payable on Thursday, the 15th day of October, 1931.

By order of the Board.

PATRICK DUBEE, Secretary-Treasurer.

September 14th, 1931.

The Mexican Light and Power Company Limited

(Incorporated under the Laws of the Dominion of Canada)

NOTICE

To the Holders of the 7% Cumulative Preference Shares and the 4% Cumulative Redeemable Second Preference Shares of

The Mexican Light and Power Company Limited

The Board regret to inform shareholders that after careful consideration they feel bound to defer the declaration of the dividends on the 7% Cumulative Preference Shares and the 4% Cumulative Redeemable Second Preference Shares which would normally be paid in the month of November.

Apart from the general business and financial depression existing throughout the world, the main reasons for the decision arrived at are the difficulties in which the Company has been placed on account of (a) the recent complete change of the Mexican monetary system to a silver basis, (b) the imposition of special taxation to meet the Mexican Government budget deficit, (c) the fall in value of the silver peso, (d) the uncertainty of the future course of exchange, and (e) the necessity of conserving the Company's position, having regard to its accruing bond interest and sinking fund payments which must be met out of Canadian funds.

Dated 29th of September, 1931.

By order of the Board.

R. H. MERRY, Secretary.

Toronto, Canada.

Additional Dividends Payable in October

The following is a supplementary list of dividends announced after the compilation of The Financial Post's summary of October dividend payments, which will be found on page 9 in this issue. These dividends, recently declared, bring the total dividend disbursements of Canadian corporations in October to $24,142,111.

October Dividend Payments

Company:	Rate	Date	Amount
Can. Gen. Invest.	20c.	1	$123,000
Can. West. N. Gas, c.	$1+50*	15	120,000
Can. Wineries	12½c.q	15	12,500
Imperial Life	$3.75q	1	37,500
Med. Hat G'nhous., p.	$1.75q	15	6,002
Silverwood's, pref.	1¾q	1	58,220
Class "A" & com.	12½c.q	1	20,593
Viau Biscuit, 2nd pfd.	1¾q	1	8,225
			$386,038

Public Utility Earnings

Canadian Pacific Railway

August:	1931 $	1930 $	Decr. $
Gross	11,322,743	15,951,510	4,628,767
Exp.	9,983,482	12,629,171	2,645,688
Net	1,339,260	3,322,339	1,983,078
Eight Mos.:			
Gross	93,704,191	116,368,603	22,664,441
Exp.	82,307,642	100,235,276	17,927,634
Net	11,396,549	16,133,326	4,736,777

Barcelona Traction

August:	1931 Pesetas	1930 Pesetas	Decrease Pesetas
Gross earn.	8,180,615	8,554,844	374,229
Oper. exp.	2,894,295	2,982,553	87,258
Net earn.	5,286,320	5,573,291	286,971
†Agg. gross	71,246,774	70,919,560	*327,214
†Aggre. net	46,839,220	47,442,238	603,018

*Increase.

DIVIDEND NOTICES

CANADIAN CAR & FOUNDRY COMPANY, LIMITED

DIVIDEND NOTICE
ORDINARY STOCK

Notice is hereby given that a dividend of forty-four cents (44c) per share on the paid-up Ordinary Stock of the Company for the quarter ending November 15th, 1931, has been declared, payable on the 30th of November, 1931, to Shareholders of record on the 13th day of November, 1931.

By order of the Board.

A. C. BOURNE, Secretary.

Montreal, September 28th, 1931.

BELDING-CORTICELLI LIMITED

DIVIDEND No. 22

Notice is hereby given that on the Common Stock of this Company, the Directors have declared a Quarterly Dividend of 1¾%, payable on the 2nd day of November to Shareholders of record at the close of business the 15th day of October, 1931.

By Order of the Board,

D. F. POLLOCK, Secretary.

Highland Dairy Limited

PREFERENCE DIVIDEND NO. 7

Notice is hereby given that a Dividend of $1.75 per share for the three-month period ending Sept. 30th, 1931, being at the rate of 7% per annum, has been declared on the outstanding Preference Shares of the Company, payable on October 1st, 1931, to shareholders of record on the Register at the close of business on the 26th day of September, 1931.

By order of the Board.

M. MAYNE KENNEDY, Secretary.

Toronto, Ontario, Sept. 28, 1931.

UNITED SECURITIES LIMITED

Notice is hereby given that a dividend of Fifty cents (.50c) per share has been declared on the outstanding common shares of the Company for the quarter ending September 30th, payable October 15th, to shareholders of record September 30th, 1931.

By Order of the Board,

JAMES WILSON, Secretary-Treasurer.

Montreal, Sept. 24, 1931.

THE CANADIAN LIGHT & POWER COMPANY

Notice is hereby given that a dividend of One-half of One per cent (½ of 1%) has been declared on the outstanding shares of the Company for the half year ending June 30th, payable October 15th, to shareholders of record September 30th, 1931.

By Order of the Board,

JAMES WILSON, Secretary.

Montreal, Sept. 24, 1931.

GENERAL TRUST OF CANADA

Dividend No. 10

A dividend of 1½%, being at the rate of 6% per annum, for the quarter ending September 30th, on the preference stock of the Company, has been declared, payable October 1st, 1931, to shareholders of record on September 26th, 1931.

RENE MORIN, General Manager.

Montreal, September 25th, 1931.

Silverwood's DAIRIES, LIMITED

DIVIDEND NOTICE

Notice is hereby given that a quarterly dividend of 1¾%, being at the rate of 7% per annum, has been declared on the Preference Shares of the Company, payable October 1st, 1931, to Shareholders of record as of September 15th, 1931.

Notice is also given that a quarterly dividend of 12½c per share, has been declared on the Class "A" or Ordinary Fully Participating Shares and the Common Shares of the Company, payable October 1st, 1931, to Shareholders of record as of September 15th, 1931.

By order of the Board.

J. H. GILLIES, Secretary-Treasurer.

INTER. PAINTS EARNINGS LOWER IN LAST QUARTER

Dividend on Preferred Stock Will be Omitted

From Our Own Correspondent

MONTREAL.—Dividends on the preferred shares of International Paints (Canada) will be omitted; the next payment is due October 15. There is outstanding $840,000 of 7½ per cent cumulative preferred of par value $30.

It is stated by those in close touch with the company that the cash position of International Paints (Canada) is strong and that the present action is more a reflection of the somewhat obscure future. The company has no bank loans and no funded debt.

Cash is Higher

The annual report for the year ended September 30 is expected to reveal an increase in cash which stood at $29,373 at the end of the previous year while it is stated that holdings of Dominion of Canada bonds have not been altered. These were valued at $102,782 as of September 30, 1930.

While earnings in the earlier part of the year showed a decline; the reduction became more marked in the last quarter. Three disbursements have been made on the preferred during the current fiscal year; it has not been disclosed whether earnings have been sufficient to cover these fully.

Paid Common Dividend

In 1930 International Paints earnings were equal, after all deductions, to $4.12 a share on the preferred, on which payments totalled $2.25, while there remained a sum equal to $1.87 a share on the "A" and "B" shares of which there are 20,860 and 7,140 shares outstanding respectively. In 1930 dividends totalling $1 a share were paid on these junior stocks; during the current year no disbursement has been made.

International Paints output for the most part comprises paints for industrial marine and transportation activities though the company conducts a certain amount of retail domestic business. The company is a subsidiary of International Paint and Composition Co. of London and is associated with companies, agencies and stocks at over 300 points throughout the world.

WHEAT PRICES ARE REFLECTION EXCHANGE RATES

Market Clouded by Ups and Downs of Currency

From Our Own Correspondent

WINNIPEG.—Wheat prices on the Winnipeg market continue to reflect the fluctuating value of the Canadian dollar rather than actual conditions in the wheat situation.

Although Liverpool prices have advanced approximately twenty per cent since the pound went off the gold standard, practically corresponding with the decline in the value of sterling, which should have left the gold price of wheat practically unchanged, there has been an actual decline of prices in Chicago, while the advance in the Canadian price has not fully reflected the decline in the Canadian dollar. Winnipeg prices are above Chicago by seven to eight cents a bushel, too great a margin if our dollar is going back to par, and probably too small if its present value does not advance.

Wheat Movement Continues

International wheat movement is continuing at a remarkably high level considering the difficulties under which international trade now labors. A very large part of the movement continues, as has been the case since the beginning of August, to come from Russia, and as the greater part of such wheat is understood to be consigned unsold from Odessa, exchange difficulties do not enter into the situation. The value of such shipments to the Russian Government will largely depend upon the primary need for sterling or for United States credits. Russian crop is still believed to be smaller than last year, but the best of it was in the winter wheat area adjacent to Russia. Consequently trade belief is against Russian ability to maintain shipments at present rate for a long period.

After lengthy interruptions due to rain, threshing has been largely resumed in Saskatchewan and Alberta. In the northern parts of those provinces actual yields appear to have been considerably higher than at first reported, and some extraordinarily heavy yields have been reported. But damage from rain and subsequent sprouting has been considerable, probably more than enough to offset unexpectedly heavy yields, and there will be a good deal of low grade wheat to market.

Rain in Saskatchewan

The southern part of Saskatchewan, afflicted by drought this year, has had a great deal of rain in the past two months, which while much too late to affect materially the quantity of threshed has materially improved the feed situation, and importations of feed grains from other areas will not have to be nearly so large as was earlier anticipated. The changed moisture conditions in that area are reviving hopes of its ability to produce a crop next year.

Trade interests in the United States are becoming alarmed at the small clearances of wheat from that country during a period when it was expected that the farm board, at least, would succeed in shipping large quantities. Hopes of reducing the carry-over are pinned upon feeding of greatly increased quantities, since current low prices are holding a great deal of wheat upon farms. A very pronounced reduction in winter wheat seeding is expected, as this is the first seeding season for a long time in which hopes of satisfactory prices have not been held out to farmers. The immediate effect of the exchange situation is to put the United States farmer at a disadvantage as compared with the Canadian.

LITTLE HOPE SEEN PACIFIC OUTLET FOR PEACE RIVER

Financing of Northern Link of Railway is Obstacle

From Our Own Correspondent

VANCOUVER.—Although coast business interests revived their hopes of a Peace River outlet to the Pacific and newspapers here enthused over the early prospect of such a project during the past week, there appears to be small ground for such optimism at the present time.

If anything is done in this connection, the Pacific Great Eastern Railway will be extended from Quesnel north to Prince George, but Prince George is a long way from the Peace River country and the interested parties still seem a long way from agreement as to who shall finance the northern link in the long chain.

If the Prince George connection is made—and there now seems to be a good chance that it will—the job will be done on the basis of unemployment relief. The cost will be divided equally between the province and the federal government. But it is regarded as extremely doubtful whether the British Columbia government will feel capable of financing the road north of Prince George, and it seems just about as dubious whether Ottawa would feel justified in undertaking such a burden at the present time.

In the meantime a proposed route to the Peace River by way of Finlay Forks is being discussed. This would be a more roundabout way to the Edmonton and Dunvegan line, but it would tap the Ingenika region, said to be one of the greatest potential mining countries in western Canada.

Quinte and Trent Power Benefits by Mill Activity

From Our Own Correspondent

MONTREAL.—With the reopening of Canadian Paperboard Co.'s pulp mill at Frankford, Quinte and Trent Valley Power Co., a subsidiary, is once again disposing of a certain amount of its power to the plant. The power company supplies energy to the Frankford, Campbellford and Toronto mills of Canadian Paperboard Co.

With the closure of the Frankford and Campbellford units, output and earnings of Quinte and Trent Valley Power showed marked reductions and interest on the company's bonds was passed in January, 1931.

Bondholders agreed to waive interest from that date to July, 1932, together with sinking fund obligations on their bonds during 1930 and 1931. At the end of 1929, there were $614,800 of first mortgage bonds outstanding.

NOTICES

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SECURITIES HOLD. REDUCE CAPITAL TO PAY DIVIDEND

Shareholders Approve Second Plan of Reorganization

Shareholders of Securities Holding Corp. approved a plan of capital reorganization of the company at an adjourned meeting held on September 28. The present company has an income of between $30,000 and $40,000 a year but shrinkage in value of securities held has prevented further payment of dividends without impairment of capital. The new capital structure will avoid this difficulty and permit payment of dividends.

The annual meeting held on September 14 was to have been followed by a special meeting to consider a plan of reorganization proposed by the directors but both meetings were adjourned to September 28 in order that shareholders might have further opportunity of considering the plan. At the adjourned meeting a new plan of exchange was presented and approved. A new company of the same name will be formed and present shareholders will receive one share of non-cumulative preferred stock of $25 par value, for each two shares of preferred presently held.

Class A shareholders will receive an equal number of new common shares of no par value while one new common share will be exchanged for every 10 shares of the present class B stock.

Will Reduce Stock

The new company will have the same name and carry the same restrictions as to investments but will have a reduced capitalization of 20,000 6 per cent non-cumulative preference shares of $25 par value redeemable at $27.50 and 15,000 shares of no par value common. The plan of exchange previously considered would have called for one new preference for two old preference shares and two class A shares and one new common share for each five class B shares. This plan is superseded by the plan adopted at the recent meeting.

The preference stock in the new company will be preferred as to assets and would be entitled to a non-cumulative dividend of 6 per cent per annum. In addition the stock will be entitled to a further dividend of 6 per cent in any year, so increasing total disbursements on this security to 12 per cent per anuum, when so declared, and in case in any year 12 per cent in dividends is paid on the preferred shares, then the company may pay a dividend of 12 cents or less on the common shares, after which both preferred and common shares will participate in any further distributions.

Securities Holding Corp. was incorporated under Ontario laws in 1928 to make investments in a diversified list of securities, all listed on the leading stock exchanges. Capitalization consisted of 200,000, 6 per cent cumulative preferred shares, par value $25, 200,000 no par value class "A" shares, and 200,000 no par value class "B" shares. The preferred stock was callable at $27.50 per share.

The initial dividend on the preferred stock was paid February 1, 1929, and quarterly thereafter to August 1, 1930, when payment was deferred. No dividends have been paid since. The board of directors include, A. C. McMaster, pres.; H. W. Knight, vice-pres.; A. L. Ellsworth, George C. Heintzman and John W. Hobbs, all of Toronto. As at April 15, 1931, the corporation held 38 securities at a total cost of $1,249,552, and with a market value as at that date of $591,217.

The balance sheet as at April 15, 1931, showed total assets of $1,474,836, consisting of, cash $1,153, investments at cost $1,249,552, office furniture $232, commissions paid in cash and in class "B" shares on sale of capital stock $221,137, incorporation fees and expenses $3,915. Liabilities consisted of bank loan secured, of $92,732; Imperial Trust Co. account $750; accrued interest on partly paid subscriptions $180; income tax reserve $25. Preferred stock was carried at $915,700 class "A" common, 36,628 shares at $366,280 and class "B" common, 65,956 shares at $65,956, less amounts owing on capital stock $710, plus amounts received on subscriptions for stock not yet allotted $16,120. Profit and loss account balance is $17,805.

AUSTRALIAN PACT BENEFIT TO B. C. IN LUMBER TRADE

Former 25 p.c. of Traffic Changed to 75 p.c. in July-August

From Our Own Correspondent

VANCOUVER.—British Columbia's lumber industry, which otherwise has been depressed, is feeling the benefit of the Canadian-Australian trade agreement to a striking degree.

In the brief span of three months British Columbia, thanks to the operation of the trade agreement, has been able to completely reverse the standing of her own sawmills as compared with those of the Pacific states in respect to Australian business.

Before the treaty became effective British Columbia was getting the small end of this trade. About 25 per cent was the usual proportion, the remainder going to Washington, Oregon and California. During the months of July and August, however, British Columbia obtained more than 75 per cent of this traffic, thus upsetting the former standing in her own favor.

Business Doubled

If the midsummer business is a reliable indication, British Columbia will do twice as much business in lumber with Australia this year as was done last year, which was an average year. The field for expansion, however, is believed to be very great. In normal times Australia imports about 700,000,000 feet of softwood. If British Columbia could get only half of that business, which seems not impossible, there would be sufficient business to put the lumber mills in a more prosperous condition than they have enjoyed for many years.

Evidence of the continued large business with Australia is to be found in the fact that Fraser River ports alone shipped 7,000,000 feet of lumber to Australia last week, which is more than was shipped during the entire month of August.

These comparative figures show how the lumber trade has swung towards British Columbia during the last two months as compared with the corresponding period in 1930:

	1930 (feet)	1931 (feet)
Washington	12,499,619	1,105,408
Oregon	6,397,236	2,727,213
British Columbia	6,843,767	11,927,046

If British Columbia maintains her present rate of increase for the rest of the year the total exports for 1931 to Australia will more than double those of last year. The extent of the preference in favor of Canada, and which has been responsible for the new business, is $5 a thousand feet.

Barcelona Traction Earnings Are Lower

Barcelona Traction, Light & Power Co. for August shows net earnings of 5,286,320 pesetas, a drop of 286,971 pesetas from the same month in 1930. Gross for the month is also lower by 374,229 pesetas at 8,180,615 pesetas. Operating expenses at 2,894,295 are lower by 87,258 pesetas.

For the eight months net is shown at 46,839,220 pesetas, a decrease from the same 1930 period of 603,018 pesetas, or 1.27 per cent, while gross at 71,246,774 is up by 327,214 pesetas.

Ship Canadian Hockey Sticks

According to a survey made by the Produced-in-Canada Association, (Quebec) Inc., the demand for Canadian hockey sticks abroad is steadily increasing, and these weapons are now being exported to fifteen countries, to wit: England, Germany, Austria, Switzerland, Czechoslovakia, Jugo-Slavia, China, Japan, Australia, Roumania, Norway, Sweden, Denmark, New Zealand and the United States.

Saskatoon Collections Increase

Saskatoon's financial standing is reflected in the tax collections for the first seven months of the current year, when $76.443 was paid into the city's treasury over the similar period of last year. Collections for the period this year amounted to $944,768. Payment of arrears is brisker this year, also, at an increase of $38,413, this figure being 2.53 per cent better than last year's.

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Maple Leaf Milling Co., Limited

TORONTO and Subsidiaries

President, C. W. Band
Vice-President, H. J. Symington, K.C.
Managing-Director, A. E. Nash, F.C.A.
Directors:—R. Cooper, E. R. Decary, K.C., D. L. Cameron, J. L. Henderson, R. S. Waldie
Auditors, Riddell, Stead, Graham & Hutchison

Directors' Report and Financial Statement for the Six Months ending 31st January, 1931

TO THE SHAREHOLDERS: 10th March, 1931.

In accordance with the promise made when the statement at 31st July, 1930 was issued, your Directors submit herewith a Consolidated Balance Sheet of Maple Leaf Milling Company Limited, and its wholly-owned subsidiaries, Campbell Flour Mills Company Limited, and Hedley Shaw Milling Company Limited, at 31st January, 1931, and a Profit and Loss Account for the six-month period ending that date, as certified by your auditors, Messrs. Riddell, Stead, Graham & Hutchison. The Operating Profit before providing for Depreciation and Bond Interest for the six-month period was $464,779.07 in addition to which the Company earned $71,039.53 on its investments, or a total of $535,818.60. After providing substantial depreciation and accruing bond interest in full the net profit for the period amounted to $248,828.44 and after making further adjustments in respect of certain items affecting the operations of the Company in periods prior to 31st July, 1930, the net addition to Surplus was $109,911.51. During this period the Company's reserves were increased and the inventories at 31st January, 1931, were conservatively valued. The increase in the inventories and the bank loans shown in the statement reflect the purchase of wheat for winter requirements.

The Company has maintained its share of the domestic and export business in the face of difficult trade conditions. It is not easy to forecast with accuracy the outcome of the Company's operations for the next six months. It is a time for caution and the policy of this Company, already inaugurated, is to exercise every possible economy and with the continued loyal application of the Company's staff in the work before it, your Directors hope the progress already made will continue and the Company is now in a position to take advantage of improved conditions when they arise.

The Board has not relaxed its efforts in connection with the responsibility of and recoveries from former officers.

Your Directors report with the greatest regret the death in December of Mr. J. C. Gage, of Winnipeg.

Respectfully submitted on behalf of the Board of Directors. C. W. BAND, *President*.

CONSOLIDATED BALANCE SHEET 31st January, 1931

ASSETS

Cash and Bank Balances			$ 147,459.93
Receivables:			
General		$1,407,812.40	
Controlled Companies		383,215.02	1,791,027.42
Inventories			3,336,752.48
Investments—			
In Shares of Controlled Companies		$2,114,950.75	
Other Investments and Mortgages		265,353.38	2,380,304.13
Due by Former Officers less amounts reserved			556,699.68
Fixed Assets—			
Real Estate, Plant and Equipment, (appraised depreciated value as at 31st March, 1929, plus additions at cost)		$6,783,857.41	
Appraised Value of Leases and Contracts		1,794,699.25	8,578,556.66
Deferred Charges—			
1929 Bond Discount Expenses		$ 379,367.07	
Deferred Operating Expenses (including expenditures against future deliveries of flour)		342,164.60	
Business Extension Expenses less amounts written off		100,000.00	821,531.67
Goodwill and Trade Marks			959,401.40
			$18,571,733.39

NOTE: The Company has agreed to purchase during the next fifteen years $450,000.00 additional shares in subsidiaries.

LIABILITIES

Bankers' Advances secured by Inventories and Receivables		$4,891,793.82	
Bankers' Advances secured by Shares of Controlled Companies		2,000,000.00	$ 6,891,793.82
Accounts Payable			336,602.09
First Mortgage 5½% Bonds, due 1949	$5,000,000.00		
Deduct: Redemptions	102,500.00	4,897,500.00	
Campbell Flour Mills Co. Ltd., 5½% First Mortgage Bonds due 1949. Pledged to Trustees for Bond issue of Maple Leaf Milling Co. Ltd., above	$1,100,000.00		
Hedley Shaw Milling Co. Ltd., 5½% First Mortgage Bonds due 1949. Pledged to Trustees for Bond issue of Maple Leaf Milling Co. Ltd., above	$ 750,000.00		
Hedley Shaw Milling Co. Ltd., 6% First Mortgage Bonds due 1935, still outstanding		126,100.00	
		$5,023,600.00	
Bond Interest Accrued		47,023.03	5,070,623.03
Reserves—			
Accounts Receivable		$ 357,677.28	
For Depreciation on Fixed Assets		473,539.22	
For Contingencies		200,000.00	1,031,216.50
Capital—			
*7% Cumulative Preferred— 29,300 Shares of $100.00 each		$2,930,000.00	
Class "B" Preferred— 25,000 Shares of No Par Value		500,000.00	
Common— 100,000 Shares of No Par Value		2,000,000.00	
		$5,430,000.00	
Less: Par Value of Shares held by Subsidiaries		402,300.00	5,027,700.00
Surplus (as per statement attached)			213,797.95
			$18,571,733.39

*Dividends paid to 18th July, 1930.

Contingent Liabilities—
1. Guarantee of Preferred Dividend of Eastern Bakeries, Ltd.
2. Customers' Bills under Discount $234,538.07
3. As Guarantor 7,000.00

AUDITORS' CERTIFICATE

We report that we have audited the Books and Accounts of Maple Leaf Milling Company Limited and its wholly-owned subsidiaries for the six months ended 31st January 1931, and that we have obtained all the information and explanations we have required.

Subject to the adequacy of the Reserves provided for claims against former officers, we certify that in our opinion the above Consolidated Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given to us and as shown by the Books of the Companies.

All our requirements as Auditors have been complied with.

RIDDELL, STEAD, GRAHAM & HUTCHISON, Chartered Accountants, Auditors.

Toronto, 10th March, 1931.

CONSOLIDATED PROFIT and LOSS ACCOUNT For the Six Months Ending 31st January, 1931

Profits from Operations prior to provision for Depreciation		$ 464,779.07
Income from Investments		71,039.53
Bond Interest Paid and Accrued	$ 138,464.28	
Depreciation on Fixed Assets	128,525.88	
Proportion of Business Extension Expenses written off	20,000.00	
Balance—Net Profit for half year transferred to Surplus Account	248,828.44	
	$ 535,818.60	$ 535,818.60

STATEMENT of CONSOLIDATED SURPLUS ACCOUNT As at 31st January, 1931

Balance at credit at 31st July, 1930		$ 103,886.44
Profits for half year to 31st January, 1931		248,828.44
Less: Charges applicable to period prior to 31st July, 1930, less Reserves provided therefor	$ 138,916.93	
Balance transferred to Balance Sheet	213,797.95	
	$ 352,714.88	$ 352,714.88

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Your Investments

Questions and problems on Canadian investments submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A three-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

Beauharnois Bonds Are Not Guaranteed

Official Statements Made Were Only Intended to Dissipate Fears That Work on Project Might be Held Up — Construction Proceeding

I have been told that the Government will guarantee the collateral trust bonds of Beauharnois Power Corp.; is this so? If this is the case, it would seem that the securities are a good purchase now. If not, I do not think the outlook for the bonds is encouraging; what is your opinion?

As we understand it there was never any question of the Government guaranteeing the collateral trust bonds of Beauharnois Power Corp; the inference from statements made was rather that the company should be allowed to complete the project as opposed to a fear that was prevalent that all work might cease until the situation was cleared up. Construction is proceeding and funds are being provided by a syndicate of banks until such time as the first mortgage bonds of the operating subsidiary can be sold. The sale of these, in turn, is dependent upon a settlement of the discussion surrounding management; it would seem likely that no financing will be undertaken until a new management has been appointed.

Some announcement in this respect is expected in the near future and the first installment of a first mortgage bond issue of some $50,000,000 may be expected to make its appearance. Naturally, this issue will rank the first charge on earnings accruing from contracts effective in 1932; whether interest payments on collateral trust bonds will be maintained remains to be seen. The statistical position of the latter securities has never been impressive; the point is, however, that their position has not been adversely affected by the recent investigation and disclosures made.

Wayagamack

What is the situation surrounding the first mortgage bonds of the Wayagamack Pulp and Paper Co.? Do you suppose interest payments will be resumed? Could bondholders foreclose on the property if they are not?

Directors of Wayagamack Pulp & Paper Co. have approved the sale of the company to Consolidated Paper Corp. In a short time bondholders and shareholders will be called upon to give their consent to the transaction. If the deal goes through, and there is every indication that it will, Wayagamack bondholders will receive for each $100 of present bonds, $125 of new first mortgage income bonds and one share of new no par common stock of Consolidated Paper Corp.

United Securities

What is your opinion of United Securities Ltd. common shares? I would appreciate some information regarding the company and its prospects.

Earning of United Securities Ltd. in the year ended March 31, 1931, showed an increase over those of the previous year and profits applicable to the common stock were equal to $4.25 a share, compared with $3.38 a share in the preceding year. A dividend of $2 a share was paid early this year; this was the initial distribution to be made on the common stock. United Securities is a holding company controlling through its subsidiaries, the street railway system of Montreal and district, together with hydro-electric power developments with an installed capacity in excess of 70,000 h.p. These controlled properties are valuable and over a period of years should show an increase in returns to the parent company. Montreal Tramways, for example, is expanding steadily, while Canadian Light and Power the other subsidiary, declared an initial dividend of 1 per cent on its common stock this year.

Gypsum Lime

I have been advised to purchase some shares of Gypsum, Lime and Alabastine, Canada, but would like to have your advice before I make a commitment. Is the company doing well?

Gypsum, Lime and Alabastine, Canada, has just cut its common dividend in half, representing the second reduction to be made in disbursements this year. The decline in constructional activity has found reflection in the company's sales and earnings, though it is understood that the company still maintains a strong liquid position. No figures on earnings have been published during the year, but dividend action would indicate that profits have declined. After payment of dividends in 1930 the company reported a deficit of $285,939.

Canadian Bronze

As a reader of The Financial Post I would be obliged if you would give me some information on Canadian Bronze Co. Has this company been able to maintain its earnings, and will it continue to pay dividends?

Canadian Bronze Co. does about 70 per cent of the replacement work for the Canadian railways and the company's earnings are affected by fluctuations in railroad activity. With the present restricted running schedules and the decrease in car loadings it is only natural that Canadian Bronze is doing less business. Though the company has succeeded in keeping its working costs at a low point, it remains to be seen whether it will be able to cover its common dividend requirements this year, while the outlook is naturally dependent upon an improvement in railway conditions.

Detroit Int. Bridge

What is the position of the Detroit International Bridge Co. and Canadian Brewing Corp.? I hold the 7 per cent debentures of the bridge company.

Earnings of Detroit International Bridge have fallen far short of estimates made before the bridge was opened in November, 1929. The company has had very keen competition from both the ferry and the tunnel between Detroit and Windsor and in addition to this business has fallen off to a large extent because of industrial conditions in the two cities and the decrease in tourist traffic this year. As a result, interest payments on the 6½ per cent first mortgage bonds and the 7 per cent debentures are now in arrears and a bondholders protective committee is working in co-operation with the bridge company with a view to securing such business as is possible and reducing expenditures to a minimum.

While the earnings position of the bridge will doubtless improve to some extent with a return of normal business conditions and increased tourist traffic, the position of the $8,000,000 of debentures which rank after $11,978,000 of first mortgage bonds would appear to be very speculative for a long time to come.

Canadian Brewing Corp. merged with Brewing Corp. of Canada, Ltd., in August, 1930, and the latter company now owns over 96 per cent of the 118,500 shares of common stock of Canadian Brewing Corp. outstanding. Minority Canadian Brewing Corp. shareholders received one share of preferred and one share of common stock of Brewing Corp. of Canada in return for each two shares of Canadian Brewing common held.

Brewing Corp. of Canada, the present holding company, deferred the payment of preferred dividend due on July 1, 1931, in order to strengthen working capital position in view of the uncertainty of the future. Some six companies merged to form the present holding company and during the past year a considerable amount of reorganization work has had to be done.

Sales of beer have shown some reductions during the past year and losses understood to have been taken by the company during the first five months of 1931 somewhat reduced liquid resources. The company's business is to a large extent done in Ontario, in which province there are many breweries, with the result that for many of them, 1931 will not be a particularly prosperous year.

Queen's Park Plaza

I shall be glad of any information you can give me on the 6½ per cent General Mortgage Serial Gold Bonds of Queens Park Plaza. I understand the company is in liquidation; if so, will you give the name of the liquidator, and tell me if it is necessary for a bondholder to register her holding.

London & Western Trust Co. is atcing as receiver for Queens Park Plaza and is also trustee for the first mortgage bonds. It is not necessary to register your holdings with the receiver. Sterling Trust Co. is the trustee for the 6½ per cent general mortgage bonds, which we understand to be all registered. If your bond is not registered in your own name, it would be advisable to get in touch with the Sterling Trust Corp., Toronto.

At the present time, an appeal is being made against the court decision which gave priority of the claims of lien holders. If the first decision is reversed, security holders would benefit to some extent.

York-Adelaide Realty

I hold a 7 per cent bond of the York-Adelaide Realty Co. on which issue I understand the sinking fund is in arrears. I want to make no mistake about this investment either from the security of income or principal. What is the position of this bond?

The 7 per cent mortgage bonds of York Adelaide Realty Co. due 1945 are speculative and the fact that sinking fund payments are in arrears indicates that the earnings position of the company is not so strong but what there is some danger that interest payments may not be well covered.

With the present market for real estate securities we doubt very much if you could sell this bond at near the price you paid for it and therefore the question of selling the bond is dependent upon the strength of your investments.

The appraised value of the York Parking Garage owned by the company is well in excess of the principal amount of first mortgage bonds outstanding but the earnings position of the garage is not secure. There is a possibility that real estate developments in downtown Toronto, notably the extension of University Avenue southward, may have a beneficial effect on earnings of the company at some future date and may also add to the value of the property. It is true that junior money is in fairly strong hands but until earnings of the company improve and the arrears of sinking fund payments are paid up these bonds will not be in a strong position.

Canadian Industries

How is the common stock of Canadian Industries Ltd. regarded? Would you please give me some information regarding the company, its earnings and its prospects?

As the largest chemical and explosive company operating in Canada, Canadian Industries Limited has made consistent progress and carried out wide expansion in the past few years. Through its various divisions, the company is steadily extending its scope of activities; in addition to an alert management, the company's affiliation with Imperial Chemical Industries and the Dupont interests, is of considerable value. Widely diversified production is a factor which tends to stabilize earnings, while the fact that the company has no funded debt is a favorable factor in considering the common shares from an investment angle.

The only securities senior to the common, are preferred shares, totalling $4,650,000. Profits in 1930 were equal to $79.08 a share on the preferred and $5.04 a share on the common stock. The common is on a regular dividend basis of $2.50 a share, while bonuses totalling $2.50 were paid in addition to the dividend in 1930. This bonus has been reduced during the current year. To date there has been distributed $1 over and above the regular dividend on the common. Canadian Industries occupies a strong financial position and its stock is generally regarded as being in the investment class.

Montreal Power

Has Montreal Light, Heat and Power suffered like Shawinigan from the industrial depression? Are earnings lower this year and are the company's prospects favorable? I am a shareholder.

In the first eight months of this year Montreal Power showed increased earnings and after deduction of dividends in the period there remained a surplus of $4,059,623 applicable to taxes and depreciation. Our understanding is that industrial sales have shown some decline but this has been offset by increased domestic consumption. The steady growth of the areas served by Montreal Power in the past has found reflection in the company's earnings and indications are that a similar situation will prevail in the future. The stock is well regarded and one of the most actively traded on the Montreal Stock Exchange.

Canada Cement

My preferred shares of Canada Cement Co. have declined sharply from levels at which I purchased them and I am wondering if the dividend is endangered. Have earnings dropped off much this year? What is the outlook for the common stock?

Quotations on Canada Cement preferred have shown weakness. It has been officially stated, however, that earnings this year approximate those of 1930 when preferred dividends were earned by a fair margin. Accordingly it may be assumed that the decline in the stock is due to market conditions rather than to any change in the company's operations. Canada Cement has ploughed back substantial sums of money into property in the past few years and improvements to plant have resulted in various operating economies. The company supplies the greater portion of cement requirements in Canada and should be quick to reflect any improvement in demand for its products. The common shares' equity has been strengthened by the money turned back into plant, but prospects for dividends appear somewhat remote at present.

Canadian Car

Please be good enough to give me an opinion on the common stock of Canadian Car and Foundry Co. which I have considered purchasing. Can the shares be considered a safe investment?

Immediate prospects for the railroad equipment manufacturing companies are not encouraging. Both railways are faced with declining revenues and it is unlikely that they will enter the market for new rolling stock in a large way in the near future. Though it may be expected that Canadian Car and Foundry eventually will enjoy a recurrence of the activity which was apparent in the last two fiscal years, restrictions in railway purchases in the next year or two will find reflection in the company's earnings. As you know, Canadian Car and Foundry reported a strong financial position at September 30, 1930, which should go a long way in tiding it over the current depression, but the current yield on the common shares of 28 per cent indicates the speculative nature of the outlook.

McColl-Frontenac

Can you tell me if sales of McColl-Frontenac Oil Co. have been adversely affected this year? I hold some of the stock but have not heard anything regarding the company for some time?

Though McColl-Frontenac Oil Co. has not issued any earnings figures during the current year, our understanding is that sales have been maintained. Since the company is not in the producing end of the business, it has benefitted to some extent from the low prices of crude, though keen competition among distributors has offset this advantage to a certain degree. The company has made consistent progress since its inception and is now the third largest factor in this field of activity.

Dodge Manufacturing

Please give me information regarding Dodge Manufacturing Co. and the position of the class A and class B shares.

Dodge Manufacturing Co. are manufacturers of power transmission machinery, elevating and conveying equipment, and materials handling equipment. Products are used in industrial plants, mines, flour mills and terminal elevators, etc. Branches are maintained in Montreal and Winnipeg in addition to the plant at Toronto. At the end of the last fiscal year on January 31, 1931, the company showed a strong financial position with current assets of $286,941 as compared with current liabilities of $27,642. Inventories were lower than in previous year, as were accounts receivable, while cash on hand was $109,165. At that time the equity of each class "A" share was $58.17 and of each class "B" share, $17.38. Earnings of the company were down to $1.75 per share on the class "A" stock as compared with $3.57 in the previous year. Dividend requirements of $2 per share were, therefore, not quite covered, and payment of dividend on class "A" shares due May 1, 1931, was deferred.

The company has been adversely affected by current business conditions and has had to work on a very narrow margin of profit. The strong cash position of the company at the end of the last fiscal year, however, would tend to indicate that the company was in an excellent position to carry on until general business improved.

Bell Telephone

Has the Bell Telephone Co. felt the effects of the depression? I hold some of the shares and would like to have some information on current earnings and the outlook.

Though earnings of Bell Telephone Co. are reported to be short of dividend requirements to date this year, the stock has held up well in trading, an indication of the confidence which investors place in this security. This confidence may be attributed to the fact that in the past the company has been allowed to adjust its rates by the Board of Railway Commissioners in Ottawa, so that it is able to earn a return of 8 per cent on its capital stock. The shares accordingly have come to be well regarded for dividends have been maintained without interuption for the last forty years. Whether there will be any change in this situation remains to be seen; judging from the steadiness of the stock marketwise, it would appear that investors entertain little concern for the future.

October Disbursements Will Total $23,894,705

Dividend payments during October, announced by Canadian corporations, will amount in total to over $23,894,705, a substantial reduction from the $35,885,965 paid in October, 1930, and the $34,179,929 paid out in the same month of 1929. The numerous dividend omissions and reductions effected during the past year have all contributed to this decline and a number of additional companies have taken steps to conserve liquid resources in the past month.

Among the companies that are suspending payment of dividends during the current month are Canada Bread which has deferred action on the class B preferred dividend for one month. Service Stations has passed its dividend on the class A and class B stock and Canada Foundries & Forgings has passed the dividend on the class A stock. Ogilvie Flour Mills Co. has omitted the usual bonus on the common stock. British & Foreign Investment has deferred payment of its preferred dividend but will take action in March, 1932. The preferred dividend of Whittall Can Co. has been passed.

Reduction in dividend rate has been announced by Associated Breweries, the quarterly dividend on the common stock being cut to 15 cents from 25 cents. Economic Investment Trust has declared an interim semi-annual dividend of 87½ cents in place of $1.25 as before. Gypsum Lime & Alabastine, Canada, Ltd. dividend has been reduced to 10 cents for the quarter as against 20 cents paid since the previous reduction. Hydro-Electric Securities common shareholders will receive 30 cents, a cut of 5 cents per quarter. Quarterly dividend on the common stock of Price Brothers has been cut in half and 25 cents will be paid while Shawinigan Water & Power common dividend has been cut to 50 cents from the former quarterly rate of 62½ cents.

On the other side of the picture there is one case of a dividend being resumed, as Loew's London Theatres, Ltd. will pay the semi-annual dividend of 3½ per cent on the $10 par value preferred stock after passing the semi-annual payments. Dividend on the common stock of Dominion Motors Ltd. is being paid on the same basis as obtained on the common stock of the predecessor company, Durant Motors of Canada, Ltd.

Dividend payments announced for October have been compiled by The Financial Post as follows:

SUMMARY OF PAYMENTS

Dividends	$23,894,705
Bond Interest	26,317,376
Total	$50,212,081

DIVIDEND PAYMENTS

Company—	Rate	Date	Amount
Abitibi Power, pfd.	1½q	1	$17,500
Agnew-Surpass, pref.	$1.75q	1	17,105
Assoc. Breweries	15c.q	1	33,690
Do., pref.	1¾q	1	24,500
Assoc. T. & T. "A"	$1+50c.q	1	172,500
Bk. of Nova Scotia	4q	1	480,000
Bell Telephone	2q	15	1,492,460
Brand.-Hender, pfd.	$1.75q	1	8,750
Brazilian Tr., pref.	1½q	1	5,901
Brant. Cordage, pfd.	2q	15	34,888
Brit. Amer. Oil	20c.q	1	524,528
B. C. Power "A"	50c.q	15	500,000
B. C. Elec. P. & G. pf.	1.50q	1	75,000
Build. Prod. 'A' & 'B'	50c.q	1	60,423
Burt, F. N.	75c.q	1	80,460
Do., pref.	1¾q	1	1,190
Calgary Pwr., com.	1½q	1	52,500
Can. Bread, 1st pfd.	$1.75q	1	21,875
Canada Bud Brew.	25c.q	15	37,500
Canada Dry	75c.q	15	384,220
Can. Nor. Pwr.	20c.q	26	75,000
Do., pref.	1¾q	15	96,250
Canada Packers, pref.	1½q	1	108,021
Can. Perm. Mtge.	3q	1	210,000
Canadian Canners	12½c.q	1	17,223
Do., conv. pref.	20c.q	1	72,746
Do., 1st pref.	1¾q	1	68,356
Canadian Car, pref.	43c.q	10	129,000
Can. Cottons, pref.	1½q	5	54,922
Can. Fairb'ks Morse, pf.	1½q	15	22,500
Can. Gen. Electric	$1q	1	188,845
Do., pref.	1¾q	1	149,759
Can. Indust.	62½+25c.q	31	582,488
Do., pref.	1¾q	15	81,375
Can. Light & Pr.	¼q	15	16,624
Canadian Oil, pref.	2q	1	80,000
Can. Pacific Rly.	1¼%	1	4,187,500
Do., pref.	2s	1	2,586,970
Can. Westinghouse	50c.q	1	270,000
Can. Wire. Box "A"	25c.q	1	19,000
Central Can. Loan	3q	1	75,000
Chartered Trust	1½q	1	15,000
Conduits, pref.	1¾q	1	4,287
Cons. Bakeries	25c.q	1	79,610
Consumers' Gas	2½%	1	331,250
Crown Trust	1¾q	1	17,500
Dairy Corp., pref.	1½q	1	22,701
Dome Mines	25c.q	20	250,000
Dominion Bank	3q	1	210,000
Dominion Glass	1¾q	1	74,375
Do., pref.	1¾q	1	45,500
Dominion Motors	20c.s	5	57,400
Dominion Rubber, pfd.	1¾q	1	52,500
Dominion Stores	30c.q	1	83,314
Dominion Textile	$1.25q	1	337,500
Do., pref.	1¾q	15	33,960
Dufferin Pav. 1st pfd.	$1.75q	1	32,525
Eastern Dairies, pfd.	1¾q	15	43,750
East. Can. Savings	2q	1	15,000
Eastern Trust	2q	1	20,000
East. Steel Prod. pfd.	$1.75q	1	7,911
Economic Inv. Trust	87½c.	1	34,934
Edmonton C. Dairy, pfd.	1¾q	1	13,776
English Elec. "A"	75c.q	15	30,000
Fanny Farmer	25c.q	1	25,000
Do., pref.	60c.q	1	10,557
Freiman, A. J., pfd.	1½q	1	14,317
General Trust, pfd.	1½q	1	16,500
Goderich Elevator	35c.q	1	29,402
Goodyear Tire	$1.25q	1	160,787
Do., pref.	1¾q	1	129,854
Gould Pumps	1q	1	7,475
Do., pref.	1¾q	1	13,080
Gt. Brit & Can. Inv. pf.	2½s	1	100,000
Great West Life	$7.50q	1	75,000
Greening, B., Wire, pf.	1¾q	1	11,375
Gurd, Chas.	50c.q	1	30,000
Do., pref.	$1.75q	1	4,725
Gypsum, Lime	10c.q	5	45,087
Hamilton Cotton, pfd.	50c.q	1	10,000
Highland Dairy, pfd.	1.75q	1	3,263
Hollinger Mines	1%	7	246,000
Holt Renfrew, pref.	1¾q	1	17,500
Honey Dew, pref.	$1.75q	1	26,250
Howe Sound	50c.q	15	248,019
Hunts "A" & "B"	35c.q	1	11,779
Huron & Erie Mtge.	2q	1	100,000
Int. Hydro-Elec. "A"	*50c.q	15	410,556
Do., conv. pref.	87½c.q	15	124,949
Inter. Power, pref.	1¾q	1	140,000
Inter. Utilities 'A'	87½c.q	15	135,369
Inv. Foundation, pfd.	37½c.q	15	13,775
Jam. Pub. Service	25c.q	1	11,250
Do., pref.	$1.75q	1	13,125
Landed Bkg. & Loan	2q	1	20,000
Loew's Lond. Thea., pf.	3½s	1	11,809
McColl-Front., pref.	$1.50q	15	120,057
Maritime Telegraph	20c.q	1	53,204
Do., pref.	1¾q	1	26,250
Midland & Pac. Grain	25c.	1	25,000
Do., pref.	$1.75	1	8,225
Mitchell, J. S., pref.	1¾q	1	6,097
Mitchell, Robt.	25c.q	15	17,500
Monarch Mtge., pfd.	2q	15	9,435
Montreal C. & D. Bank	3q	1	60,000
Montreal L. H. & Pr.	37c.q	31	1,510,959
Montreal Telegraph	2q	15	40,000
Montreal Tramways	$2.50q	15	175,000
Moore Corp.	25c.q	1	78,492
Do., "A" & "B" pref.	$1.75	1	86,852
Nat. Breweries	40c.q	1	288,548
Do., pref.	44c.q	1	48,562
Nat. Grocers, 2nd pfd.	1¾q	1	51,681
Nat. Steel Car	50c.q	1	65,000
National Trust	3½q	1	105,000
Niagara Wire Weav.	37½c.q	1	15,000
Do., pref.	75c.q	1	16,500
North Star Oil, pref.	1¾q	1	17,500
Nor. Ont. Power	50c.q	26	120,007
Do., pref.	1½q	26	37,489
N. S. Light & Pr., c.	$1q	1	34,523
Ogilvie Flour, c.	$2q	1	150,000
Ont. Loan & Deb.	3q	1	60,000
Ont. Tobacco Plant, pfd.	1%	1	4,146
Orange Crush, pfd. "A"	1¾q	1	11,375
Ottawa L. H. & Pr.	1½q	1	52,500
Do., pref.	1½q	1	24,375
Page-Hersey Tubes	$1.25q	1	217,665
Do., pref.	1¾q	1	427
Perfection Pete., pfd.	37½c.q	1	3,687
Pioneer Gold Mines, B.C.	3c.q	1	50,151
Porto Rico Pr., pfd.	1¾q	1	17,500
Power Corp., pref.	1½q	15	75,000
Do., non-cum. pref.	75c.q	15	75,000
Premier Gold Mines	3c.q	5	150,000
Pressed Metals	12½c.q	1	13,846
Price Bros.	½q	1	106,708
Do., pref.	1½q	1	107,211
Provincial Paper, pfd.	1¾q	1	61,250
Quebec Power	62½q	15	345,748
Riverside S. Mills 'A'	50c.q	1	15,000
Robinson Cons. Cone.	37½c.q	1	18,750
Shawinigan W. & Pr.	50c.q	10	1,089,125
Sher.-Williams, pref.	1¾q	1	60,550
Do., com.	40c.q	1	80,000
So. Can. Power, pref.	1½q	15	88,269
Standard Steel, pf. "A"	75c.q	1	7,842
Sun Life Assur.	6¼q	1	125,000
Supertest Pete., pfd. 'A'	1¾q	1	6,125
Do., pref. "B"	1½q	1	3,000
Do., com. & ord.	25c.q	1	27,500
Tamblyn, pref.	1¾q	1	10,815
Thayers, 1st pref.	87½c.q	1	8,750
Thrift Stores, 1st pfd.	1¾q	1	5,687
Do., 2nd pref.	1¾q	1	2,100
Tip Top Tailors, pfd.	1¾q	1	23,706
Toronto Gen. Trusts	3q	1	90,000
Toronto Mortgage	3q	1	29,244
Tuckett Tobacco, pfd.	1¾q	15	35,000
Twin City, pref.	$1.75q	1	52,500
Viau Biscuit, 1st pref.	1¾q	1	17,500
Un. Bond & Share, pfd.	75c.q	1	8,833
United Fuel, pref.	1q	1	90,000
United Securities	50c.q	15	25,630
Union Trust	1¾q	1	17,500
West. Kootenay Pr., pfd.	1¾q	1	8,750
Western Grocers, pfd.	1¾q	15	20,899
Weston, Geo., com.	25c.q	1	12,500
Winnipeg Elec., pref.	1¾q	1	87,500
Wright-Hargreaves	2½c.q	1	137,500
Total			$23,894,705

*—Payable in stock 1/50 share of class "A" stock, or in cash.
q—Quarterly.
s—Half-yearly.

BOND INTEREST DUE IN OCTOBER

Company—	Rate	Int. Date	Due	Amount
Algoma Steel	5	1	1962	$371,467
Arnolds	6	1	1947	30,780
Atlantic Sugar	5	1	1941	90,655
Amer. Salesbook	6	1	1939	19,470
Bay-Cumber. Corp.	6½	1	1944	7,475
Balfour Bldg.	6	1	1943	23,850
Bolivian Pr. "A"	8	1	1945	62,680
Booth Bldg.	6½	1	1937	19,500
Brand.-Henderson	6	1	1936	5,433
Calgary Power	5	1	1960	250,000
Canada Steam "A"	6	1	1941	538,205
Can. Cons. Felt	6	1	1940	6,150
Can. Int. Inv. Trust	5	1	1959	50,625
Can. Pac. Rly.	5	15	1934	300,000
Can. West. Nat. Gas	5	15	1936	18,852
Carleton House	6½	1	1947	2,567
City Gas of London	6	1	1947	7,005
Devonshire Apts.	6½	1	Serial	14,625
Dom. Canners	6	1	1940	32,880
Dom. Square	6	1	1948	148,635
Dom. Rubber	6	1	1946	78,000
Dom. Tug & Barge	7	1	1947	7,875
East Koot. Pr. "A"	7	1	1942	65,835
Do., "B"	7	1	1942	10,080
Famous Players	6	1	1948	170,100
Do., debs.	6½	1	1948	93,876
Gatineau Pwr. "B"	6	1	1941	225,000
Gen. Brock Hotel	6	1	1948	30,000
Gould Mfg. "A"	6	1	1942	11,430
Gt. Brit. & Can Inv.	4½	1	1959	135,000
Hamil. Cot. "A"	5½	1	1948	26,262
Hayes Wheel "A"	6	1	1942	14,691
Inter. Hydro-Elec.	6	1	1944	900,000
Investors Equ. "A"	5½	1	1949	16,500
Kensington Man. Ap.	7	20	Serial	2,677
Legare, P. T.	6	1	1977	21,000
Lord Nelson Htl.	6½	1	1947	19,500
McColl-Front. "A"	6	1	1949	292,95[illegible]
Massey-Harris	5	15	1947	243,1[illegible]
Midland Pac. Term.	6½	1	1943	14,73[illegible]
Milton Brick	6½	1	Serial	8,30[illegible]
Mon. L. H. & Pr.	5	1	1951	726,27[illegible]
Do., (Lachine)	5	1	1933	78,00[illegible]
Mont. Tram. A B D	5	1	1955	631,60[illegible]
Do., "C"	4½	1	1955	55,63[illegible]
Nat. Bis. & Conf.	6½	1	1950	5,20[illegible]
National Realty	7	1	1945	8,75[illegible]
Nor. Ont. Bldg.	6½	1	1939	26,60[illegible]
Ogilvy Realty	5½	1	1951	34,37[illegible]
Ott. Vall. Pr.	5½	1	1970	247,50[illegible]
Ott. L. H. & Pr.	5	1	1957	103,100
Pacific Burt	6½	1	1937	6,646
Que. Sag. & Chib. Ry.	6	1	1943	105,000
Railway Ex. Bldg.	6½	1	1947	14,625
Rio de Janeiro	5	1	1958	485,220
Shawinigan "A"	4½	1	1970	433,260
Shawinigan "A"	4½	1	1967	787,500
Sin-Mac Lines	6	1	1949	41,445
So. Can. Pr. "A"	5	1	1955	150,000
Spruce Falls Pr.	5½	1	Serial	385,000
Tooke Bros.	7	1	1942	9,422
Trinity Apts.	6½	1	1947	5,200
Victoriaville Fron.	6½	1	1936	5,687
Westminster Paper	6½	1	1950	9,750
Wpg. El. Ref. Mtg.	5	2	1954	109,500
Do.	6	1	1954	210,000
Woods Mfg.	6	1	1943	23,840
York St. Bldgs.	6	1	1943	7,52[illegible]
Corporation bonds				$ 9,089,05[illegible]
Municipal bonds				*5,285,02[illegible]
Provincial bonds				*3,820,000
War loan	5	1	1931	1,323,29[illegible]
Do., Refunding	5	15	1943	3,675,000
Do., Refunding	4½	15	1944	1,125,000
Dom. loan	4	1	1960	2,000,000
Total				$26,317,376

*Figure is determined by dividing by twelve the ultimate total interest payable during the year on these issues.

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Uniform Bank Cheques Urged

Decision to reaffirm without change, for two years, the programme adopted in 1926 covering the standardization among U. S. banks of negotiable instruments, is announced by the Simplified Practise Division of the U. S. Department of Commerce. The plan is largely concerned with standardizing the sizes of cheques, deposit slips, notes, drafts and so forth. Cheques are now used to settle approximately 96 per cent of all commercial transactions.

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Able and Unable of every business family

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FEDERAL GRAIN HAD LARGE GAIN IN PROFITS MADE

Earned Preferred Dividends But Paid None Since Feb. 1

NOT RESUMING YET

Conserving Cash as Greatly Reduced Volume of Grain Handled is Now Expected

Federal Grain shows a greatly improved balance sheet and earnings situation for the year ended July 31, 1931, as compared with the preceding fiscal year. Operating profits were $789,399 as against $66,444 in the year ending July 31, 1930, a gain which permitted not only the payment of $249,540 in bond interest as against $255,000 in the preceding year but enabled the company to write off $221,381 for depreciation, $87,878 for the cost of wrecking and re-building elevators and losses on realization of assets and $16,954 for organization expenses whereas there were no similar write-offs in the previous year.

Although the preferred dividends were fully earned the company paid only two quarterly dividends, feeling that it was more conservative to conserve cash and strengthen working capital until the business situation has been straightened out to the benefit of the grain trade.

Economies Are Effected

The company was able to make the better showing referred to because of the greater volume of grain handled, but H. E. Sellers, president, states in his report to the shareholders that "it is apparent that the volume to be handled during the coming year will be greatly reduced."

Mr. Sellers also states that further economies in operation have been effected and that all properties are being well maintained.

Working capital position is somewhat improved. Because of the greater volume of grain handled current assets advanced from $1,368,313 to $3,233,127 and current liabilities from $1,519,366 to $3,303,205. This meant that the working capital deficiency was reduced from $151,053 to $70,078. In other words current assets are now 97 per cent of current liabilities instead of 90 per cent as they were a year earlier.

Grain Inventories High

The wide difference between the problems and conditions of the two years are well illustrated by the fact that grain and other inventories advanced from $60,032 to $2,943,500 and that bank loans and over-drafts jumped from $851,558 to $2,783,683. The banking indebtedness is secured by the grain and $1,000,000 of general mortgage 6 per cent debentures issued as collateral and repayable on demand.

If accrued earnings of $220,850 are included, the company would have a working capital surplus.

Terminal and country elevators, coal sheds, dwellings, flour sheds, automobiles and furniture and miscellaneous equipment at cost are shown at $8,540,893, less the write-off of $221,381 for depreciation.

Bonded indebtedness stands at $4,159,000 after redemption of $91,000 through the sinking fund. Issued capital consists of 30,000 6½ per cent cumulative preference shares of $100 par value, 160,000 no par value class "A" common shares and 40,000 class "B" no par value common shares.

INCOME AND SURPLUS ACCOUNT
Years Ended July 31

	1931	1930
	$	$
Oper. profits	789,399	†66,444
Less: Bond int.	249,540	255,000
Depreciation	221,381	......
Cost of wreck., etc.*	87,878	......
Organ. exp. w/o	16,954	......
Net profits	213,646	‡188,556
Less appropriations:		
Pref. divds.	97,500	195,000
Surp. for year	116,146	**383,556
Add: Amt. appr. as surp.	......	750,000
Prev. balance	366,444	......
Bal. car. for.	482,590	366,444

† Before depreciation.
* Cost of wrecking, and rebuilding elevators and losses on realization of assets, etc.
‡ Net loss.
** Deficit.

WORKING CAPITAL

	1931	1930
	$	$
Current assets	3,233,127	1,368,313
Current liabilities	3,303,205	1,519,366
Working capital	*70,078	*151,053
Ratio	0.97—1	0.90—1

* Excess of current liabilities over current assets.

ALDRED INVESTMENT SEGREGATES STOCK

Common to be Given Separate Script is Decision

From Our Own Correspondent

MONTREAL.—Holders of Aldred Investment Corp. (Canada) 4½ per cent debentures, of which there are $2,500,000 outstanding, have been advised of the directors' decision to provide for separate transfer of the series 'A" debentures and common shares, which are presently endorsed on the debentures.

Holders are asked to turn in their present debentures and receive in return new registered debentures and separate share certificates. The position of the debenture holders is not changed in any respect, as they receive the same securities as they now hold, although represented by separate certificates for the debenture and the common shares.

Permits Individual Sale

This action will permit the sale of purchase of the debentures apart from the common shares; hitherto the shares and debentures were not transferable separately until the principal of the debentures became due. The debentures were offered in January, 1928, at 102 accompanied by common shares on the basis of one share with each $100 par value of debentures.

Net profit of Aldred Investment after interest, in 1930 was $60,703 compared with $94,688 in 1929. Dividends on the preferred stock of which there is $500,000 outstanding, were deferred in January, 1931. Profits were sufficient to cover preferred requirements in 1930.

British Industries Fair Announced

British Industries Fair announce that next year's fair will open February 22, and will include several important additional industries. The fair is composed of three sections, one at Olympia, London, another, the textile section, at the White City, London, and a third at Birmingham.

Conversion Loan Tops $650,000,000

From Our Own Correspondent

MONTREAL. — Final check-up on the recent Dominion conversion loan, shows that $652,000,000 of the securities maturing up to 1934 were turned in for exchange. This is an exceptionally fine stroke of business in view of developments that have since taken place.

With the absence of any immediate large scale financing to take care of early maturities of bonds, the Federal Government is placed in a comparatively strong position. Had this conversion loan been postponed, it would not have been possible for the government to negotiate such favorable terms.

T. E. BISSELL CO. REPORT SHOWS LOSS OF $35,385

Liquid Position is Maintained; Evolve New Lines

Reduction in purchasing power of the Canadian farmer, and particularly the western farmer, is reflected in the annual statement of T. E. Bissell Co., manufacturer of farm implements, for the year ended May 31, 1931. A loss on operations of $12,480 is shown as compared with a profit of $30,152 in the preceding year and a profit of $79,199 in 1929. In addition, a loss of $4,500 was taken on inventories. After payment of dividends amounting to $18,405, the company showed a loss for the year of $35,385 against $5,243 in 1930. After taking in $608 of former reserves, the company carries forward a surplus of $16,888 as against $51,665 in 1930.

T. E. Bissell, president of the company, states that the directors have followed a policy of rigid economy and that the staff has been reduced to a minimum. Possible markets are being canvassed actively and several new products have been developed which, it is believed, will prove profitable when business improves.

The details of the income and surplus account are as follows:

INCOME AND SURPLUS ACCOUNT
Years Ended May 31

	1931	1930	1929
	$	$	$
Net oper. prof.	*12,480	†30,152	†79,199
Loss on invent.	4,500	......	......
Net profit	*16,980	30,152	79,199
Less:			
Pref. divds.	18,405	15,147	16,041
Com. divds.	......	20,248	5,000
Surp. for year	*35,385	*5,243	58,158
Add: Prev. surp.	51,665	58,158	......
Less: Res. brought in	608	......	......
Organ. acct.	......	1,250	......
Surp. for.	16,888	51,665	58,158

* Deficit.
† After depreciation, taxes and reserve for doubtful accounts.

During the last fiscal year both preferred and common dividends were deferred and the company has maintained a liquid position with current assets amounting to 3.25 times current liabilities. Cash at $927 is somewhat down but Dominion of Canada bonds, at cost, remain the same at $51,434. Accounts receivable, less reserves, at $49,384 compare with $68,005 shown in 1930 while inventories are down to $117,732 from $129,364. Bank and accounts payable at $67,664 are up from $59,056. Working capital amounted to $151,813 as compared with $190,442 in 1930.

Capital assets consisting of land, power rights, buildings, machinery and equipment are shown at $166,050, slightly higher than in 1930, and are subject to the same reserve for depreciation of $27,254. Deferred charges are up to $10,155 from $7,563 and goodwill, patents, trade marks, etc., remain at $1. There remains outstanding 2,018 shares of 7 per cent preferred stock of $100 par value and 10,165 shares of no par value common stock, the latter being carried at $82,076. Surplus is down to $16,888 from $51,665.

It is stated that during the year considerable money and time was spent on overhauling buildings and equipment and these assets are in better condition than they were a year ago. Instead of increasing the book value of capital assets it was decided to make no provision for depreciation this year.

CLARK, HOWE BROS. MAKES ASSIGNMENT

Company Operated Two Hardwood Mills in Ontario

From Our Own Correspondent

MONTREAL.—Clark, Howe, Waters and Knight Brothers has made an assignment and G. T. Clarkson has been appointed custodian of the property. No statement has been issued as yet covering the company's position or future plans.

The company was engaged in the production of lumber and hardwood interior trim and flooring. Properties comprise two mills in Ontario together with a fleet of tugs and equipment for log-moving and custom-towing.

Formed in 1929, a public offering of $300,800 of 7 per cent preferred was made; the preferred carried one-half share of common as a bonus. There were 19,350 shares of no par common outstanding.

No income account for 1930 was published. The balance sheet at December 30, 1930, showed total assets of $1,368,837 comprising current assets of $592,276; standing timber and timber limits of $104,478 and fixed or other assets of $672,084.

Saint John Reconstruction Work is Nearing Completion

From Our Own Correspondent

MONTREAL.—At the present rate of progress the port of Saint John will be in readiness to take care of winter traffic. Following the disastrous fire of last summer, reconstruction of the West Side docks has progressed to the point where practically all unskilled labor work has been completed as well as the carpentry work, with the exception of No. 17 pier, where a frost-proof wooden potato warehouse is being erected.

A number of unskilled laborers have been released. The present demand for the most part is for skilled riveters, structural steel workers and the like. There are now nearly 1,000 men employed by the Northern Construction Co. and 700 by the Foundation Co.

Windsor, N.S., Business Gains

Business is on the upgrade in Windsor, N.S. The plant of the Nova Scotia Textiles Limited is now operating on full time and the Windsor Furniture Company's factory, which was closed in July and August, is now re-opened on a full-time basis.

TOOKE BROTHERS UPHELD TURNOVER DURING PAST YEAR

Lower Dollar Volume Results in Sharp Profit Drop

From Our Own Correspondent

MONTREAL.—Though sales of Tooke Bros., shirt and handkerchief manufacturers, were maintained at a satisfactory level in the year ended June 30, 1931, the general demand for lower priced merchandise found reflection in dollar value of sales and trading profits showed a sharp reduction of $40,319 compared with $163,185 in the previous year. In addition, it was found necessary to write down inventories by $54,935 while a special investment reserve of $17,500 was set up to offset a decline in investments.

After provision for inventory write-offs and full payment of preferred dividends, there remained a deficit for the year of $110,528 compared with a profit of $49,734 in the previous period.

Profit and Loss Figures

Following is a comparison of profit and loss figures for the past three years ended June 30:

	1930-31	1929-30	1928-29
	$	$	$
Trad. prof.	40,319	163,185	151,029
Other inc.	......	......	4,826
Total inc.	40,319	163,185	155,855
Deduct:			
Bond int.	17,472	18,105	19,000
Deprec.	9,000	16,596	16,308
Tax res.	489	9,798	5,996
Balance	13,357	118,684	114,540
xDeduct	54,935	......	......
Balance	d41,578	118,684	114,540
Pfd. divid.	68,950	68,950	68,950
Surplus	d110,528	49,734	45,950
yReserves	17,500	......	......
Balance	d128,028	49,734	45,590
Prev. surp.	386,964	337,230	a324,938
P. & L. bal.	258,936	386,964	337,230

xNet loss due to inventory adjustments.
yProvision for depreciation of securities.
aBefore deduction of $33,292 losses applicable to previous periods, inventory write-off and legal expenses re Van Heusen suit.
dDeficit.

Working capital has been slightly reduced though current assets are over 12 times current liabilities. The working capital figure stands at $910,900 compared with $1,051,727 at the end of the previous year.

In the balance sheet the decline in inventory values is apparent, stocks on hand being valued at $679,149 compared with $801,509. Cash is lower by about $3,000 at $12,936 and accounts receivable have declined $61,000 to $299,015.

Decline in Securities

Investments are lower by $15,000 at $44,990, while fixed assets are higher by about $12,000 at $660,127. Goodwill remains unchanged at $323,784 while bonds for sinking fund requirements total $29,300, an increase of $13,300.

In liabilities, accounts payable are lower by $45,000 at $59,231. During the year there were redeemed $10,500 of bonds leaving funded debt at $258,700. Capital structure is unchanged and surplus has been reduced by $128,028 to $258,936.

In his remarks to shareholders, W.M. Weir said in part:

"While not venturing to make any definite prophecy as to the improvement to be expected during the coming year, your directors are satisfied that your company is in an excellent position and well prepared to take advantage of improved conditions as soon as they make themselves manifest."

WHITTALL CAN CO. DEFERS PAYMENT PREFERRED STOCK

Subsidiary Canning Firms Encounter Difficult Conditions

From Our Own Correspondent

MONTREAL.—Directors of Whittall Can Co. have decided to discontinue dividends on the company's preferred stock. The next quarterly disbursement would have been due for payment on October 1; there are $1,900,000 of 6½ per cent preferred outstanding.

The situation is due to the unsatisfactory earnings of its subsidiary companies from which Whittall Can derives a substantial portion of its revenue. These subsidiaries are Associated Quality Canners, Ltd., and Spring Valley Canners, Ltd., while a substantial interest is held in Quebec Canners Corp.

Actually, sales and manufacturing profits of the parent company were higher in the first six months of 1931 as compared with last year. But the unprecedented drop in prices of canned goods has necessitated the passing of dividends receivable from the subsidiary canning companies and until their situation becomes clearer, it is felt that the working capital of Whittall Can Co. should be preserved as far as possible.

The plight of the canning subsidiaries was illustrated in financial statement for the year ended February 28, 1931. Associated Quality Canners showed a loss, after depreciation, of $8,643, while payment of dividends and write-off for organization expenses resulted in a deficit of $106,566 for the year. Spring Valley Canners had a loss of $57,523 and Quebec Canners Corp. had a deficit of $11,142.

Dividends on Associated Quality Canners stock were passed in March this year and it was the payment of these last year which enabled Whittall Can Co. after depreciation to cover its preferred dividend requirements. Whittall Can Co. in the 12 months ended February 28, 1931, earned $175,216, while the $62,887 received from Associated Quality Canners dividends brought net income at $238,003. After deduction for depreciation and income tax, there remained $164,100 or the equivalent of $8.63 a share on the preferred stock of Whittall Can.

It is stated that economies in both the Whittall Can Co. and its subsidiaries have been made, and are being made, and officials hope that improved conditions in the canning industry will permit the resumption of dividends within a reasonable time.

POPULATION OF 25,000,000 ENVISIONED BY BURTON

(Continued from page 6)

however, until a new generation will be in their best producing years.

We shall emerge from the handicap of the war area with its destruction of capital, with its destruction of human life and the burdens which followed in its wake, and we shall be free to go on with this new job.

New Policies by Parliament

The first requisite is that our federal parliament should recognize the opportunity and should adopt policies to encourage the work to proceed.

The question here, as well as in the provinces, is whether or not our extreme party divisions will permit us to take a proper and business-like view of the situation.

It is quite manifest that it would be stupid for us to plan for the development of resources and new production unless we gave immediate attention to Empire and world markets in a way that present policies take no account of.

Canada has followed pretty much along the lines of most of the countries of Europe who participated in the Great War, namely in following a policy of self-containment and the exclusion of external influences of trade, and like these other countries has endeavored to become as nearly as possible self-sustaining.

It would not be proper for me to enter upon partisan political ground in this matter, but it seems to be obvious that we cannot hope to go on with a development programme that does not contemplate a radical change of mentality in respect to small Canadianism which tends along the line of building a wall about our country, and making it as difficult as possible for us to develop active trade relations with the other nations of the world.

The Federal Government must lend encouragement to a new policy of development, if it is to succeed, but as these resources now lie within the control and under the jurisdiction of the various provinces of Canada, development can only proceed under the auspices of those who get their powers from the various provinces.

Under provincial auspices settlement of lands should be on a community rather than on a homesteading basis. Further I should like to suggest that each commodity available in each province should be studied in the light of similar competitive products in other areas of the world, with a view of marketing our products. Their production should be developed along lines that will win the world's markets for our products wherever we can produce the same standard of quality and marketability as other competitive products.

In dealing with these considerations some time ago I suggested that if the Dominion Government would pledge its credit, based upon the great annual production of new wealth of Canada, there is no reason why we should not add twenty-five millions of people to Canada's population in the next twenty-five years.

British Columbia's valleys, the Prairie Provinces' northland, the Ontario and Quebec north, the seas and valleys of the Maritimes are quite capable of sustaining many times these suggested increased figures.

Federal Credits and Grants

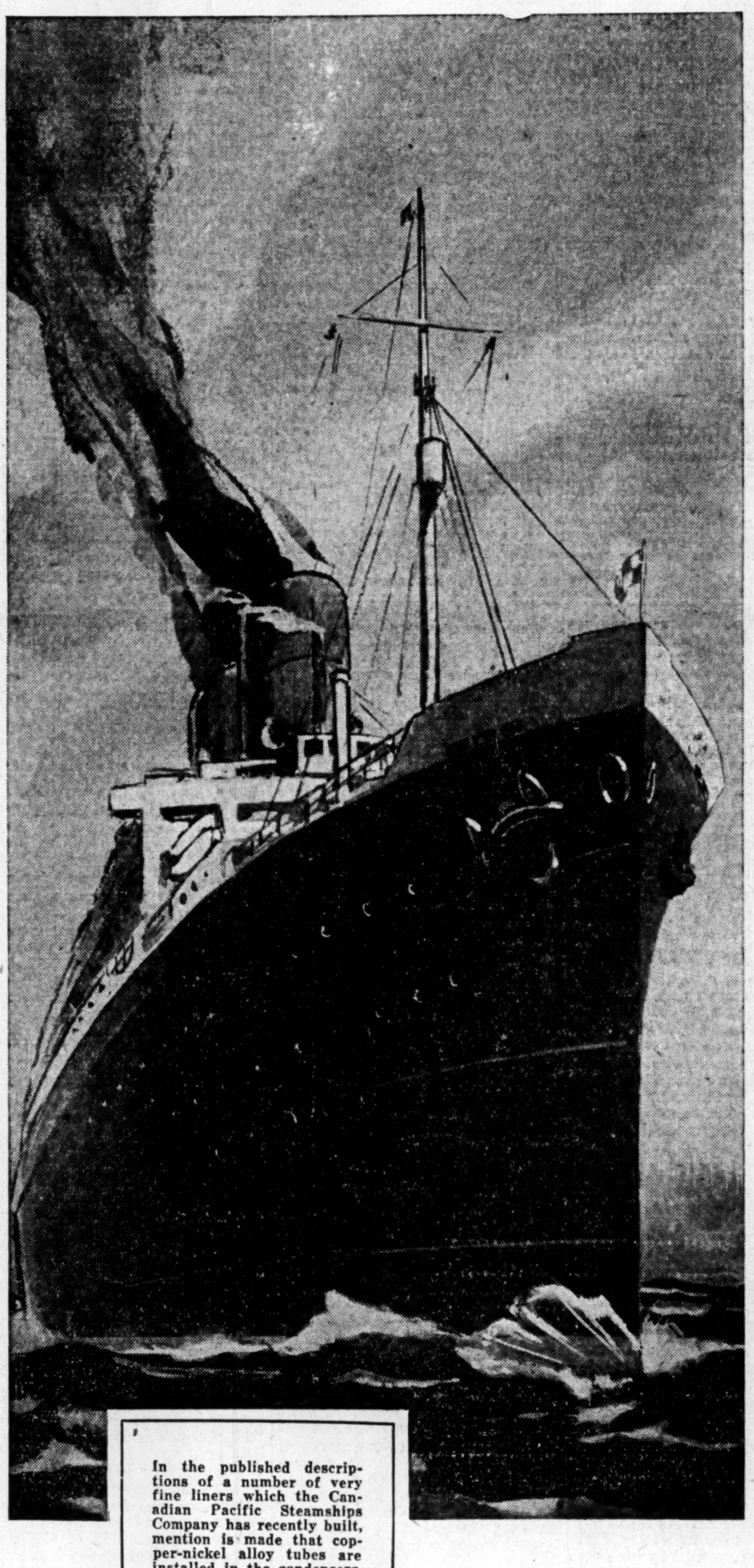
Credits and money, provided by the Federal Government, should be available to the provinces upon approved plans for development and be available to them annually according to the progress of such development and the production which resulted from it. It might involve the giving up of our cherished partisan politics, and a demand in each province that the same sort of spirit should be shown. It is quite plain that in an important new project of this kind there is no room for straight partisanship, there is no room for government in power to consider as a first business the keeping of themselves in power, as has been the history of Canada now for many years, when they should give themselves first to the aggressive development and administration of the country.

The development could not take place unless we were to eliminate, not only political partisanship, but the accompanying wasteful, indifferent and casual administration which is the great enemy within democratic government.

I could advance the present ideas in respect to a new policy for Canadian development without pressing the view that it should be begun and administered over a definite period of years under a national non-partisan administration.

Ship Alloy!

Condenser tubes... ship kitchens..silvery hardware...all made of NICKEL ALLOYS



In the published descriptions of a number of very fine liners which the Canadian Pacific Steamships Company has recently built, mention is made that copper-nickel alloy tubes are installed in the condensers. On the "Empress of Britain" each inboard condenser has 27,700 square feet of cooling surface and each outboard condenser has 9,600 square feet.

● In the thousands of liners and merchantmen that ply the seven seas .... in the dreadnaughts of the world's navies .... in pleasure craft in every part of the world .... corrosion-resisting Nickel alloys add speed, comfort and safety to marine operations.

Because of their exceptional resistance to corrosion at high pressures and temperatures, Nickel-copper alloys are employed to lengthen the service life of condenser tubes, to reduce overhauling costs.

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Solid Nickel Silver, another lustrous, long-wearing ship alloy, is specified for quality plumbing fixtures and for beautiful hardware in the finest yachts and passenger ships.

When added to copper (or brass, bronze, cast iron, steel, stainless steel or aluminum), Nickel imparts one or more of these desirable properties: (1) corrosion and wear-resistance; (2) grain refinement; (3) increased strength and toughness; (4) increased hardness.

All over the world, Nickel alloys help solve troublesome engineering and equipment problems ... because they "perform better longer."

Nickel ALLOYS PERFORM BETTER LONGER

INCO NICKEL

Products of "International Nickel" may be obtained from the following sources:

Toronto
Peckover's Limited
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Montreal
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and its subsidiaries
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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

Vol. XXIV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 3, 1931 | 10c a Copy; $5.00 a Year | No. 40

EAST. DAIRIES PROFIT AHEAD OF LAST YEAR

Good Results Achieved in First Five Months

NET IS LARGER

Bond Interest and Preferred Dividend Are Amply Covered—Opening New Plant.

From Our Own Correspondent

MONTREAL.—Gross income of Eastern Dairies Ltd., for the five months of the current fiscal year, beginning April 1, shows an improvement of about 8 per cent over that for the corresponding period of the preceding year.

This is a fine showing in view of the steady flow of corporation interim statement on earnings showing consistent decreases in earnings. Few of the Canadian companies have been able to hold up their profits, let alone show an increase, this year. The returns of Eastern Dairies for the five months, therefore, are encouraging and hold out prospect of a good financial statement for the full year.

Prior Charges Covered

During the April-August period, Eastern Dairies covered its bond interest requirements over 5 times. The preferred dividend on the company's own stock, was covered over 4 times before depreciation and over 3 times after full depreciation charges had been allowed.

The balance available for the common stock of Eastern Dairies was more than for hte same five months of 1930, but on a per share basis the increase is not maintained, owing to the fact that the company issued additional shares. On March 30, 1931, Nesbitt, Thomson & Co. purchased 15,000 common shares at $22.50 a share, while 10,901 shares were offered to employees at $20 a share. This brought the number of outstanding shares up to 100,000, including stock sold to employees on the partial payment system.

Set Record in 1930

Earnings of Eastern Dairies in the year ended March 31, 1931, constituted a record for the company and after all charges, including preferred dividends, there remained a sum equal to $2.04 a share on the common stock on the basis of 74,099 shares outstanding.

Operations of the company this year, generally speaking, have been on a satisfactory basis.

Working Capital Higher

The balance sheet position of the company continues on a relatively strong basis. At the end of August last, current assets exceeded current liabilities in the ratio of 2 to 1. On the same date of the previous year the ratio was 1½ to 1.

Operations of the company this year, generally speaking, have been on a satisfactory basis. Activity of the Western units has been affected by unsatisfactory business conditions in the area served, but the Eastern plants have been able to record gains.

New Hamilton Plant

The new Hamilton plant is expected to come into operation shortly and will relieve the company's Toronto units of their present programme of supplying Hamilton and district with dairy products. The new plant will be modern in every respect and will handle a complete line of dairy commodities.

With the Hamilton plant in operation, Eastern Dairies will be represented at Montreal, Ottawa, Hull, Winnipeg, Toronto, and other points. It will further consolidate the company's claim to being the largest dairy organization within the Dominion.

Has Extended Rapidly

Since its formation in 1926, Eastern Dairies has proceeded steadily with a development programme that has brought under its control many of the principal operations in Manitoba, Ontario and Quebec. With the expansion of properties, sales have increased until today they are reported to be in excess of $10,000,000 annually.

Earnings have kept pace, growing from $350,451 in 1928 to $835,380 in 1931. Profits on the common stock have likewise expanded and on November 1, 1930 an initial dividend of 25 cents a share was declared on the junior security. Regular payments have been made since them, placing the common on an annual dividend basis of $1 a share.

Defer Pref. Dividends Mexican Light & Power

Dividends payable by Mexican Light & Power Co. in November on the 7 per cent cumulative preferred stock and the 4 per cent cumulative redeemable second preference shares have been deferred. Gross earnings of the company for the first eight months of 1931 show a decrease of 7.69 per cent from the same period of 1930 and although operating expenses and depreciation are lower by 5.04 per cent there was a deficit from operations during the first eight months of 643,970 pesos.

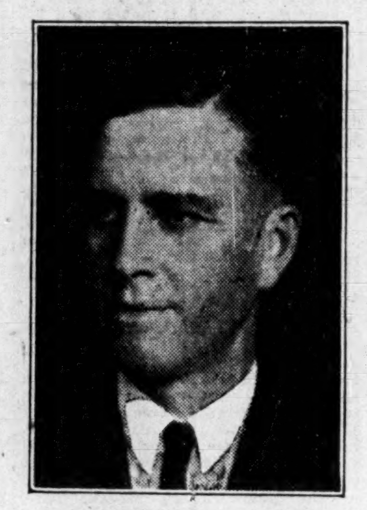
In addition to the general business and financial depression existing throughout the world the company has had to meet difficulties arising from the recent complete change of the Mexican monetary system to a silver basis; the fall in value of the peso and the uncertainty of the future course of exchange as well as special taxes to meet the Mexican Government's deficit. With regard to accruing bond interest and sinking fund payments, which must be met in Canadian funds, the directors have deferred payment of the preferred dividend in order to conserve the company's liquid position.

Board Surveys Stone Industry

A lucrative industry in the production of building and monument stone is awaiting development in the Province of New Brunswick, according to the Bulletin of the Saint John Board of Trade. A survey of the situation made at the instance of the board reveals an abundance of excellent material only awaiting capital and exploitation.

New Chief Executives of Grain Exchange

HENRY E. SELLERS, Vice-president



CHARLES E. HAYLES, President

HENRY GAUER, Vice-president

Mr. Hayles was recently elected president of the Winnipeg Grain Exchange for the current term. After twenty years in the grain business Mr. Hayles is recognized as having a wide knowledge of the problems of the trade, and in addition as being an authority upon the operation of country elevators. After experience with the Security Grain Company and the Warner Grain Company Mr. Hayles became associated with the Dominion Elevator Company, and was subsequently appointed general manager of that organization. In 1928, when the Dominion Elevator Company was amalgamated with a number of other elevator companies to form the Canadian Consolidated Grain Company Ltd., Mr. Hayles was appointed vice-president and general manager of the new company, the position which he now occupies. A member of the Council of the Exchange since 1926, Mr. Hayles has taken an active part in the work of various committees.

Mr. Sellers is president and managing director of Federal Grain Limited, which has just presented a satisfactory report of last year's operations to shareholders. Mr. Sellers was elected vice-president of the Winnipeg Grain Exchange. He has also other extensive grain interests, being president of Melady, Sellers & Co., vice-president and general manager of the Northland Elevator Company, president of the Superior Feed Company, and a director of the Alberta Pacific Grain Company. He is a vice-president of the Prairie City Oil Company, and a director of Gage, Evans, Spencer. He is a member of the board of the Imperial Bank of Canada and a regional director of the London and Western Trusts Company.

Mr. Gauer, also elected a vice-president of the exchange, is connected with the old-established house of James Richardson & Sons.

Many Countries Attempt To Solve Truck Problem

Experience of U.S.A., Britain and Germany Throws Light on Way in Which Problem is Concerning Many Countries

By KENNETH R. WILSON

Seventh Article Discussing Truck and Railway Competition in Canada

Every week in the past few months has brought important news or discussions from Canada, United States or Europe, concerning the competition of steam railways with buses and trucks. This is the inevitable result of depressed business conditions for even though the problem was just as acute in many areas two years ago, it is only now that the total volume of traffic has shrunk to unexpectedly low levels that the matter is apparently coming to a head.

This week an official government report from Ottawa computes that provincial highway debt alone now amounts to $326,600,000, an increase of about $40,000,000 over last year while expenditures on highways during 1930, for construction and maintenance amounted to the staggering total of $103,000,000 as against revenue registration fees and gasoline taxes of about $42,000,000. Such figures in themselves are sufficient to make even the layman stop and think for they point to the obvious need of making absolutely certain from a national point of view that such a gigantic expenditure on behalf of a mere 10,000,000 people, is not being made to the financial jeopardy of an investment already approaching $4,000,000,000 in our national railway system.

What Others are Doing

One angle of this all-important question of motor trucks and steam railways is the experience of other countries such as the United States, Great Britain and Germany who have already faced, or at least are already grappling with a problem similar to that of Canada, but on a much more intense scale.

In the United States and Canada it is estimated that at the end of 1930 some 81 railway systems were using nearly 7,000 trucks. Only four railways, however, have gone into the trucking business directly as a complementary transportation service, namely, the New York Central, Pennsylvania, Boston and Maine and the Texas and Pacific Railway. Just here it may be worth noting that the figure of 7,000 trucks for all railways on this continent and which is supplied by the National Automobile Chamber of Commerce of the United States, may be somewhat misleading for it includes the C. P. R. and the C. N. R. for Canada and lists them as operating 500 trucks each, which gives the impression that they have gone into the trucking business. Actually, of course, these are the trucks owned and operated by the express companies of each system and although, as is now well-known, these express companies have slashed rates in an effort to compete with truck competition, the use of trucks for this purpose is entirely for pick-up and delivery and not for highway operation.

The use to which U. S. railways have put trucks is said to be for the most part to extend freight service into areas without adequate rail connection or to take the place of rail service on unprofitable branch lines. In addition, railways are using trucks for the following purposes:

1. Station-to-station hauls in lieu of way-freight trains.
2. Cross hauls from a station in one division to another division to avoid rehandling through an intermediate transfer.
3. Hauling from the small to the larger station to make possible concentration into straight destination cars with consequent saving in time and in expense.
4. Hauling from a central delivery station to smaller outlying stations where final delivery is made to consignee.
5. Interchange between railroads and steamship lines in lieu of lighterage.
6. Trucking of unit containers for merchandise and coarse commodities, such as brick.

The advantages claimed for the installation of motor service may be summarized as follows:

1. Reduction in the number of local way-freight trains.
2. Operating costs of handling less-than-carload freight has been reduced.
3. Handling of each piece of freight has been reduced.
4. Quicker service is made possible between stations on the same division.
5. Cars may be loaded at zone stations in greater weights, thus utilizing equipment to better advantage.
6. Number of stops for way-freight has been reduced thereby speeding up schedules on the heavily travelled divisions.
7. Contact with shippers and consignees is maintained and a more satisfactory transportation service is offered.
8. The way is prepared for door-to-door transportation service.

New York Central along with the Pennsylvania R. R. was the first to substitute trucks for local way freight trains. It does not operate its own motor vehicles but contracts with independent companies to perform this service. At the end of 1929 some 2,500 units were to be operated by this system which also was one of the first (1922) to establish a container car service. The services operated by the N. Y. C. are as follows:

1. Station-to-station service on the same division to avoid handling at intermediate transfer stations.
2. Hauling from smaller to larger stations to make straight carloads from the larger stations so as to improve time transit and reduce expenses.
3. Handling from central delivery stations to outlying stations where final delivery is made.
4. Interchange service between railroad and steamship lines.
5. The trucking of carload bulk commodities and unit containers of less than carload merchandise. This service includes the use of unit container freight cars.

Perhaps the most important move yet made by any railway group in the United States was contained in the announcement recently that 100 railways operating in the Southwestern States would institute on Oct. 1, a pick-up and delivery service on l.c.l. merchandise which it is expected will recover 75 per cent of the business lost to the trucks. It is estimated that about three-fourths of the new service is substantially free and consists of store-door delivery and pick-up service free on all shipments up to 300 miles. Beyond this distance the charge is 20 cents per 100 lbs.

The railroads participating in the tariff include the Atchison, Topeka & Santa Fe; the Chicago, Rock Island & Pacific Railroad; the Kansas City Southern Railway; the Illinois Central Railroad; the Missouri-Kansas-Texas Railroad; the Missouri Pacific Railroad; the Southern Pacific Railroad; the Wabash Railway; the St. Louis-San Francisco Railroad; and the St. Louis Southwestern Railway. Western trunk line carriers may adopt the plan for competitive purposes. At the beginning, the programme will affect the states of Arkansas, Colorado, Illinois, Kansas, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, Oklahoma, Tennessee and Texas and large industrial centres such as St. Louis, New Orleans, Memphis, Fort Worth, Kansas City, Oklahoma City and Pueblo.

This move was doubtless taken as a result of a study, made earlier in the year by American railway executives, of the British system of l.c.l. store-door delivery which has been in vogue for years. The British system offers three kinds of l.c.l. freight service: door-to-door pickup and delivery, railhead terminal storage and delivery, and direct railhead distribution. Special types of trucks and tractors are used to handle various shipments, and inclusive door-to-door rates are quoted.

Inasmuch as the carriers' own trucks perform the services, only one contract and set of charges is involved, and only one organization is responsible for safe transit of a consignment. Due to pressure of competition from independent truckers, rates have been frequently revised and concessions made, the entire railroad field acting in unison. Latest concession, for instance, provides that when several small lots of merchandise are consigned to the same place on the same day, they may be considered as one shipment subject to lower rates.

Containers interchangeable between truck chassis and freight car such as are beginning to be used on a few roads in the United States were first employed on British railroads in 1927, and their use is steadily expanding. The International Union of Railways, in conjunction with the International Chamber of Commerce, is now holding a competition to discover the most efficient types of containers. The roads themselves also are experimenting.

Terminal Warehouse

Railhead terminal warehousing and distribution has become very popular in England. Under this system the manufacturer or merchant can forward his goods in bulk to a rail freight depot in a thickly populated area to be stored in the railroad's warehouse until delivery is to be made. In addition to providing storage the railroads check stock and supply all the necessary services such as labelling, weighing, and sampling. If desired, office accommodations are provided so that the shipper's own staff can superintend the storage and distribution of the goods. Collection for delivery by highway is undertaken either by the railroad's own trucks or by any independent trucker the shipper or consignee desires.

An alternative method is that of direct railhead distribution, which involves operation of fast and regular truck service by the railroads themselves. Strategically placed railheads are selected and freight consigned to any point within a given area is sent to the relevant railhead instead of to the nearest railroad station; from the railhead, the goods are delivered by truck. This comparatively new service is designed for those who regularly ship small lots to a number of different consignees within a limited area, and is particularly attractive to firms with nation-wide distribution such as cigarette, candy, and bread manufacturers.

The method of operation is for a number of separate consignments to be grouped together, sent in bulk to the railhead, where they are unloaded from the train, split up and re-arranged according to final destination, and are then reloaded on to trucks for delivery. In cases where justified, the railroad provides a vehicle bearing the shipper's own name and a driver wearing his uniform.

The direct railhead distribution system was started by the Great Western Railway which already has four railhead distribution points, each responsible for deliveries within a 30-mile radius.

British railroads now operate 5,000 trucks and 32,000 horse-drawn vehicles. Surprisingly, the latter have not decreased in number and are used extensively for deliveries involving a large number of stops within a short distance or long waits at docks.

In Germany, the extension of freight transportation by motor truck has influenced the German State Railroad Co. to endeavor, through the granting of monopoly to a private company, to regulate this competition and compel private transportation firms to conform to the conditions under which the Reichsbahn intends to work. The direct aim is to prevent private companies from transporting freight by motor over long hauls, which business is seriously competing with the railroads. The Reichsbahn has just closed a contract with the firm of Schenker & Co., Berlin, a filial of the international organization, which branch in Berlin has been reorganized "ad hoc" to meet the needs of the huge undertaking which the contract entails.

The inauguration of the freight-collection service and the establishment of depots where goods may be assembled for shipment are to be fully effected by the firm of Schenker & Co. The rates applied in this service are to be under the control of the railways. Schenker & Co. are at the same time obliged to so provide that any firm which undertakes the collection of freight is fully supported and receives all the freight available. Schenker & Co. also contract to pay into the treasury of the Reichsbahn 20 per cent of all its profits as gatherer of freight, which the Reichsbahn will use in part payment of the subventions contemplated.

The primary obligation which Schenker & Co. undertakes is to work up business for the Reichsbahn. It is to use its large powers and privileges to prevent freight from being shipped by other means than the railroads, wherever such shipment is possible. All subsidiary firms working with Schenker & Co. have the same obligation, namely, to get freight for the railways. Reports as to freight haying gone by other means, the reasons for this deviation, and how the business can be obtained for the railroads, must be promptly communicated. Depots and stations where transporting companies assemble goods can be utilized by the railroads and designated as Reichsbahn freight stops.

Firms operating motor delivery trucks will be brought into the scheme and will be subsidized by the railroads. It is understood, however, that these firms will not undertake hauls outside of a 50-kilometer limit without the approval of the Reichsbahn, and their operations within the 50-kilometer limit must also be subject to the same approval. These firms are also bound to transport goods for the rate fixed in the tariff and actually to effect deliveries at such rates, their losses being reimbursed by the Reichsbahn. The purpose of this is to secure freight for the railroads through the attractive lower rate.

BLUE RIBBON INCREASES NET IN PAST YEAR

Earned $1.81 on Common Shares; Liquid Position is Stronger

Improved earnings and an improvement in liquid position are reported for Blue Ribbon Corp. for the year ended June 30, 1931, the first full year of operation following the merger of Blue Ribbon Ltd. and Pure Gold Manufacturing Co. in March, 1930. Operating profit shown at $265,929 compares with $254,688 shown in the previous year but increased allowance for depreciation and provision for Dominion income tax reduce net profit to $210,269 as against the $225,926 shown last year before provision for income tax. Earnings on the common stock in the past year amounted to $1.81 per share after payment of preferred dividends.

W. S. Greening, president of the company, states that the volume of business in each of the company's principal products was higher during the past year than in the preceding year. Declining prices of raw materials have caused considerable inventory losses which have been written out of earnings as they occurred and the inventory has been adjusted to sound market values before the final balance sheet was struck. The company has increased its advertising appropriation to further the sale of Blue Ribbon coffee, tea and baking powder. Plants have been maintained at maximum efficiency and installation of sprinklers in Winnipeg and Vancouver buildings will lower insurance costs this year.

Consolidated Income and Surplus Account Years Ended June 30

	1931 $	1930 $
Operating profit	265,929	254,688
Less: Deprec.	30,000	18,914
Federal inc. tax ..	19,660	....
Organ. exp. written down	6,000	4,000
Revaluation stocks & bonds of customer companies		5,848
Net profit	210,269	*225,926
Less: Pref. divids. ..	95,147	242,499
Com. divids.	97,104	
Surplus for year	18,018	†16,573
Add: Prev. surp.	121,533	141,274
Adjust. re holdings of minority int. .	443	....
Less: Elimination in respect of inter-company holdings and minority int.		3,168
Surplus forward	139,993	121,533

*Before income tax.
†Deficit.

Current assets at $1,381,851 are somewhat under the $1,517,071 shown last year while current liabilities have been reduced to $428,840 from $546,118, so that working capital of $953,011 is only slightly under that in 1930 but the ratio of current assets to current liabilities is up to 3.24 to 1 as against 2.78 to 1 in 1930. Cash is higher at $42,393, accounts receivable amount to $434,126 after reserve of $33,342, as compared with $429,410 in 1930. Sundry debtors are carried at $13,157. Inventories have been reduced to $892,175 from $1,069,787.

Bank advances have been substantially reduced to $253,606 from $327,001 shown in 1930 and accounts payable are some $12,000 lower at $175,233. Common dividend payable of $31,548 shown last year does not appear this year since the date of payment has been changed.

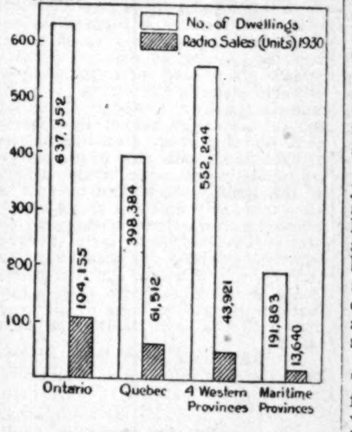
Among the non-liquid assets, stocks and bonds of customer companies are carried at $70,316 as compared with $74,600 in 1930; land, buildings, machinery and equipment are up to $1,203,742 from $1,178,619, and trademarks, patent rights and goodwill have been reduced to $269,917 from $281,091. Deferred charges are slightly higher at $20,570 while organization expenses are down to $14,588 from $18,543. Depreciation reserve has been increased to $108,034 from $84,024.

Interest of the minority shareholders of subsidiary companies has been reduced to $2,050 from $18,453 and there has been some increase in capital stock outstanding. There are 28,860 preferred shares of $50 par value outstanding carried at $1,443,000 and 63,475 shares of no par value common stock, carried at $839,067. Surplus has been increased to $139,993 from $121,533. It is noted in the report that the total amount received upon the issue of shares of the capital stock which is attributable to surplus is $165,000. There is a contingent liability of $93,946 arising from customers' paper under discount.

One Out of Eight Homes Bought Radio Set in 1930

One new radio receiving set was sold during 1930 for every eight dwellings in the Dominion, according to a detailed analysis of the Canadian radio industry published by the Dominion Bureau of Statistics. During the year 223,228 sets of all types and prices were sold, having a total value at factory prices of over $22, 76,000. Of this total the actual number of sets produced in Canada was 170,082, valued at over $19,000,000.

Radio Sales Analyzed



One out of every eight Canadian homes bought a new radio last year. This chart shows the relation of new radios sold in 1930 to the number of dwellings in Ontario, Quebec, and eastern and western areas.

This analysis, which will in future be published quarterly, shows sales grouped by value of sets and by provinces, as well as total production figures and inventories.

According to the figures for 1930 sales of the A.C. or batteryless types predominated over the battery-operated set in the ratio of about twenty-three to one.

By far the most popular model, judged from the number of units sold in 1930, was the A.C. set at list prices ranging between $200 and $255 including tubes. Combined gramophone and radio sets sold represented about 12½ per cent of the total A.C. units, and about 22½ per cent of the total sales value of A. C. types.

As there are approximately 1,780,000 dwellings in Canada the figures indicate that one new radio was sold for every eight dwellings. An idea of the distribution by areas is given by the accompanying chart.

Summary statistics of the analysis, showing total sales and Canadian production, together with inventory position at the end of 1930, is given below:

Types of sets classified by list prices, with tubes.		Production	Sales	Inventory Dec. 31, 1930
A.C. Receiving sets only:				
Below $65.00		2,098	1,541	1,549
$65.00 to $99.99		5,992	30,345	487
$100.00 to $135.99		11,766	23,147	267
$136.00 to $175.99		26,567	32,448	3,469
$176.00 to $199.99		37,681	38,184	5,643
$200.00 to $255.00		37,689	42,928	5,362
Above $255.00		16,700	17,906	3,292
Total A.C. sets	No.	138,493	186,494	20,069
Total selling value at works	$	14,624,649	17,102,317	....
A.C. Combined Phonograph and Radio:				
Below $159.99		30	30	...
$160.00 to $199.99		...	9	...
$200.00 to $255.99		2,062	4,125	164
Above $255.99		19,743	22,306	2,937
Total combination sets	No.	21,835	26,470	3,101
Total selling value at works	$	3,905,209	4,941,598	...
Battery-operated sets	No.	9,702	9,682	2,682
Total selling value at works	$	662,682	661,394	....
Miscellaneous sets	No.	52	582	....
Total selling value at works	$	4,446	70,916	....
Total Receiving Sets		170,082	223,228	25,852
Total Selling Value at Works	$	19,196,936	$22,776,225	....

FLOUR MILLERS FAIL TO MAKE AN AGREEMENT

Solution of Domestic Problems is Yet in Future

From Our Own Correspondent

MONTREAL.—Efforts made to bring about a round-table discussion with a view to arriving at an amicable settlement of price cutting and other unsound practices in the domestic flour market, have come to naught.

For several weeks past different groups have been working on the problem of finding a solution. Earlier this month there were prospects that the major Canadian milling companies would get together and settle their differences. Such has not been the case, and pessimism again prevails throughout the industry.

As pointed out in The Financial Post for several weeks past, Canadian millers have been hard hit by a lack of export trade. This business is all important to the manufacturer in that it enables him to cut down on his operating costs. Profits are made from domestic sales.

Sharp Cut in Exports

Two years ago, Canada was exporting over 10,000,000 barrels of flour during the crop year. The year ended last month, saw an export business of less than half of that amount. There has been no improvement to date, the dropping of the gold standard by England placing the export market in an unsettled state.

In order to make up for the loss in sales to export buyers, the Canadian millers went after the domestic market. Sales in Canada over the past two years have been substantial. The decline in business activity has not unduly affected domestic consumption of flour. In order to get a larger share of this market, price cutting was instituted, secret rebates made and other unsound practices carried out.

Domestic Trade Unsettled

Consequent upon this action, the domestic market has become highly unsettled and the selling price of flour has made profitable operations particularly difficult. Not one, but all the operators, have been affected. Earnings have dropped and some of the major manufacturers are experiencing difficulty in meeting their fixed charges.

It was considered that the domestic market tangle could be straightened out by effecting an agreement between the principal operators. It has not been possible to get them together and conditions now prevailing in the domestic market preclude the possibility of any reasonable profit on sales. The situation has reached a point, as a matter of fact, where domestic sales are, in some instances, being handled on an export price basis.

Bakeries Doing Better

As already said, demand for flour from domestic sources continues satisfactory. The bakery units of the larger operators absorb a large share of the production. These subsidiary operations have not proved especially profitable over the past twelve months owing to the fact that they have had to use high cost flour. This situation is being rapidly remedied and, generally speaking, the bakeries are now utilizing low-cost flour.

While this situation is satisfactory in itself, however, the major consideration should not be overlooked, namely, that mill operations are not profitable. As long as the export market continues absorbing limited quantities of Canadian flour, manufacturing costs must necessarily remain on a high level.

Profit Making Difficult

This condition could be met by the millers, provided that profit on domestic sales was of normal proportions. This is not the case and the millers, as a whole, are finding it difficult to make a respectable showing.

Just how long the manufacturers will be able to carry on without coming to some agreement over domestic sales, is a matter of conjecture. The past two years have not done anything to improve the financial position of the operators and any prolonged period of price-cutting in the domestic market and limited export demand might seriously jeopardize the position of some of the operating companies.

Still Have Confidence

While failure to arrive at any agreement to date is disappointing to those interests working for a settlement, it is believed that an agreement be reached.

The current situation is well described in the Northwestern Miller, a highly regarded grain trade journal, which has the following to say editorially:

"Communications from members of the trade show a general desire to co-operate in restoring confidence and prosperity. Leadership is the principal need, but where that is to come from remains to be discovered. Those who have tried the rôle in the past at heavy cost to themselves are hardly likely to try again unless they have an assurance that they will be followed by the rank and file of millers.

"In former periods of general business depression the flour milling industry has not suffered to the same extent as others. Humanity must eat regardless of whatever else it has to do without. Bread is at all times the cheapest and best of foods. But this time the former rule has failed to operate to the benefit of business. The cause is to be found within the industry itself and the remedy will undoubtedly be discovered in the same place."

Named Unit Manager

C. H. BROWNE, whose appointment as manager of the home laundry appliance division of Consolidated Industries Products Limited has been announced by D. H. Pollitt, president and managing director. Mr. Browne returns to the Consolidated organization after an absence of a year and a half in which he directed the sales activities of J. H. Connor & Son, of Ottawa.

New Brunswick Crop Report

The latest crop report of the New Brunswick Department of Agriculture shows the production of oats, wheat and barley to be unusually heavy this year—oats alone averaging 35 bushels to the acre. Out of about 300,000 acres sown to grain, 200,000 were in oats. The root crop is reported as average while the hay yield is heavier than having been cropped.

MAPLE LEAF EARNINGS UP IN LAST YEAR

Notable First Step Made Toward Repairing 1930 Debacle

BANK LOANS DOWN

Bond Interest Earned Three Times—Working Capital Needed—New General Manager

Maple Leaf Milling Co. made encouraging progress in the year ending July 31, 1931.

Against a background decidedly adverse to the milling industry as a whole and in the most trying period in the history of Canadian business in the twentieth century, executives were successful in making sufficient profits to enable the company to reduce measurably the heavy liabilities incurred in the preceding year as a result of unauthorized speculations on a huge scale by former officers. Bank loans were reduced by $1,346,150, bond interest before depreciation was earned more than three times, and earnings on the 7 per cent preferred stock after bond interest and depreciation amounted to nearly $5 a share.

The time for preferred dividends is still some distance ahead as the working capital of the company shows a considerable deficiency but the first test period gives reason for hope. Major A. E. Nash, who may be considered the choice of the large financial interests which had good reason to desire the company to be placed on a safe and conservative operating and financial policy, resigns his position as managing director on October 1 in line with the intimation given a year ago that he would hold the position until a man of outstanding experience as milling company executive could be obtained. As Major Nash steps out D. Campbell MacLachlan steps in as general manager, but Major Nash will remain as a member of the Board where his supervision of financial and accounting policy will be a valuable asset.

The comparative figures showing income and surplus account for three years are given in the following table:

INCOME AND SURPLUS ACCOUNT
Consolidated*

	Yr. end. July 31 1931 $	16 mos. ended July 31 1930 $	12 mos. ended Mar. 31 1929 $
Earn. from oper.	624,486	§3,031,321	1,076,704
Inc. from invest.	117,084	162,770	132,622
Net earn. ..	741,570	†2,868,551	1,209,326
Less: Deprec.	262,445	343,297	....
Bond int. .	275,698	316,009	113,376
Prov. for taxes ...		....	98,000
Res. for bad debts:			
Trade acc..	....	326,860	....
Former officers ..	....	862,590	....
Extension exp. w/o .	25,000	148,775	....
Bond exp. w/o	10,000	127,074	....
Stores & supplies w/o .	25,000	....	....
Net profit ..	143,427	†4,993,156	997,950
Less appropriations:			
7% pref. div.	.....	243,202	205,100
Class "B" pref. divs. .	.....	70,446	....
Red. in cap. trans.	1,000,000	....	....
	1,143,427	....	....
Contingencies	200,000	....	....
W/o goodwill	100,000	....	....
W/o leases, etc.	100,000	....	....
Red. in value of shs.** .	68,720	....	....
Surp. for yr.	674,707	‡5,306,804	792,850
Prev. surp. .	103,886	5,410,690	2,267,311
Less prior chgs.	138,917	....	....
Bal. carr. fwd.	639,677	103,886	3,060,161

†Loss. ‡Deficit. §Loss, including loss occasioned by unauthorized speculation.
*Consolidated income and surplus account including Maple Leaf Milling Co. Ltd. and its subsidiaries, The Campbell Flour Mills Co. Ltd. and Hedley Shaw Milling Co. Ltd.
**Reduction in book value of common shares held by subsidiaries.

Began With a Deficit

It will be seen from the foregoing table that the enormous deductions made in the preceding year by which a surplus of $5,410,690 was reduced to $103,886 were not sufficient. Further deductions of $138,917 had to be made for charges really applicable to the previous year so that in reality the present year began with a deficit rather than a surplus. The operations were, however, successful enough to take care of these charges and leave the surplus at $108,397. A reduction of value given to the common stock in the balance sheet from $2,000,000 to $1,000,000 allowed the company to write off various paper liabilities which might in the end prove obstacles to the earliest possible renewal of dividends on a conservative basis, and to raise the surplus after such deductions to $639,677.

The provision of $200,000 for contingencies raises that reserve to $400,000 and the various amounts written off goodwill, leases, extension and bond expenses are cheering indications of a policy to get the balance sheet progressively from year to year in as close touch with tangible realities as possible.

The total current assets and liabilities for three years are shown in the folowing comparative table:

Working Capital

	1931 $	1930 $	1929 $
Curr. assets .	2,860,808	5,246,542	9,361,063
Curr. liabs. .	4,899,617	7,489,649	5,279,649
Work. cap. .	*2,038,809	*2,243,107	4,081,414
Ratio	0.58—1	0.70—1	1.77—1

*Denotes excess of current liabilities over current assets.

Inventories Drop

The chief item accounting for the decline in current assets is the reduction of inventories from $3,137,986 to $1,501,760, a decline partly accounted for by the sharp fall during the year of the price of wheat and the probability that supplies have been brought during the year to the point where they are in rather close relationship to milling needs.

Former Officers Owe $539,515

Accounts and bills receivable during the year have dropped from $1,-

(Continued on page 20)

TWO SCORE EXPERTS SURVEY CONDITIONS IN THEIR FIELDS

Business Paper Editors Find Inventories Low in Canada; Cutting of Costs Order of Day

(Continued from page 1)

been generally avoided although there is a wide-spread expectation of improved trade during the fall and winter, particularly in the consumption industries coming in direct contact with the general public. The heavier fabricating industries seem to be further away from their definite upward turn.

Foreign Influences Are Now Dominant

Dominant influences on Canadian business at the moment are the factors in the foreign situation — exchange, price demoralization in other countries, and conditions that work against international exchange of goods. Apart from the decline in western farm purchasing power, home conditions are in the main basically sound for potential recovery, the editors' reports would indicate. The fact that stocks of goods are low leads to the hope that rapid pick-up will follow any basic improvement.

The reports received by The Financial Post are as follows:

FOODSTUFFS

Stability of Trade Shown; Stocks at Low Level

CANADIAN GROCER
Toronto
B. T. Huston, Editor

Few in the food industry are prepared to make any forecast as to the outlook for business this fall and winter. With conditions as they are at present and as they have been so far this year, it is scarcely feasible to make predictions. The situation is now pretty much as it was in January when the large food firms would not commit themselves as to how much business the year would bring forth in comparison with 1930. We have now completed nine months of the calendar year and during that time business among the various manufacturers of food has seen its ups and downs. Some months were nicely ahead even in dollar volume; others were down. From a recent survey which Canadian Grocer conducted among a number of companies, the fact was brought to light that 79 per cent of them showed increases in unit sales in the first seven months and 36 per cent reported that even dollar sales were ahead of the previous year. These figures indicate the stability of the food business and show that in spite of predictions to the contrary earlier in the year, most people continue to consume their usual three meals per day. The experience of the fore part of the year, it is hoped, will be repeated during the coming fall and winter months.

The autumn season invariably means a spurt in business, especially from camps in the north, island populations and many others in out of the way places. Supplies are brought in to take care of the population during the winter months.

Inventories Kept Low

Inventories in retail food stores and in wholesale grocery warehouses are quite meagre. Few merchants either large or small have been taking any chances on price declines, most buyers purchasing only sufficient supplies to last two or three weeks or a month at the most. There was no future buying of canned goods this year as happened in 1930. Retail food prices have kept pace pretty well with drops put into effect by manufacturers. The chain and group stores have seen to this. The only exceptions are centres long distances from the larger towns and cities. Retailers are taking normal profits—it would be difficult for them to do otherwise in view of the keen competition.

Tariff Changes Help

Many Canadian food firms have benefitted considerably from the tariff changes effected last fall and in June by the federal government. This applies particularly to canners of fruits and vegetables. Heavy duties were placed against the imported products and no doubt the great increase in sales of the larger canners in Canada since the first of January has been partly due to the increased duties as well as to the low prices following the abnormal packs of last fall. The food industry in Canada has also been augmented by the establishment in this country of subsidiaries of large United States concerns.

The recent abandonment of the gold standard in Great Britain is likely to result in some declines in prices of imported food products made in the Old Country but it is unlikely these declines will amount to a great deal considering the fact that British manufacturers will have to pay more for their raw materials on account of the depreciation in the pound sterling.

It is perhaps significant that those manufacturers in the industry who appear to be either holding their own or increasing their business are working more closely with their retail dealers. Many of them are not only selling their goods to the merchants, but they are helping them by advice on store arrangement, interior display, location of departments, and in other ways to move the goods on more rapidly to the consumer. Some firms are even watching inventories in stores of their own particular products to make sure that the dealer is not over-supplied at any time. The net result of this development is that we are going to see fewer travellers on the road and more merchandisers. Manufacturers, too, are paying more attention to the character of the messages they pass on to the retail merchants in their endeavor to assist him in merchandising their goods.

TOBACCO

Decline in Cigarettes and Cigars; More Pipes Sold

CANADIAN CIGAR & TOBACCO JOURNAL
Toronto
Thos. H. Binnie, Editor

Canadian tobacco factories at the present time are using more of Canadian grown tobacco than they are of the imported leaf, that is for cigarettes and cut, plug tobacco. The action of the factories in maintaining, or raising slightly, the price of the manufactured articles has helped very materially to maintain the prices of the raw tobaccos, grown largely in British Columbia, Ontario and Quebec. The season was very favorable to the growing of tobacco this year and the result is one of the largest crops of tobacco ever grown. The quality of this tobacco never was surpassed in the history of Canada. It has been well harvested and at the time of writing is in the process of curing preparatory to being shipped to the various factories. The foundation of the tobacco industry in Canada this year is, therefore, in a very highly satisfactory position.

Trend to Cheaper Smokes

There has been a very heavy drop in the sales of cigarettes and cigars in Canada during the present year. This has been due to the depression where the consumer thought and found that smoking a pipe or rolling their own cigarettes provided a good smoke for less money. The result was that factories manufacturing either cigars or cigarettes alone, found their sales somewhat decreased with no other form of tobacco to fall back upon to keep their wheels turning. During the first seven months of the present year the decrease in sales of cigarettes amounted to 340,000,000, while the drop in cigar sales amounted to 15,000,000. This is a pretty heavy drop considering that we have a population of approximately 10,000,000 people. To offset this, however, the increase in sales of cut tobacco amounted to 402,000 pounds. If this increase in sales of cut tobacco is figured out in terms of cigarettes and cigars, you will find that it would take care of all the cigarettes that should have been sold and about 5,000,000 of the cigars. Therefore, in total volume of sales the decrease in the tobacco industry has been very small.

More Pipes Sold

Coincident with the increased sale of pipe tobacco has been the increase in sale of pipes and other accessories for the pipe smoker. This has been of material assistance to many of our retailers because the mark-up allowed on this class of merchandise is greater than that on tobacco, allowing a larger profit for our dealers. The sale of novelties, watches, clocks and other side lines which are very often sold in tobacco stores has remained about even with last year. In some cases a complaint has been made that the tourists came here without any money this year and did not spend any more than they had to for their smokes while on holidays.

Neither the tariff nor the excise tax on tobacco was changed during the past session of the House. It is now so high that if it were increased the tendency would be to curtail the use of tobacco. When the extra sales tax was placed on tobaccos, one large firm, namely, The Imperial Tobacco Company, did away with coupons in their various packages and thus were able to meet the tax without raising the price of their goods. Other firms, we understand, have decreased the number of cards found in the packages. Prospects are for a very fair fall trade in all branches of the tobacco industry. We believe the tobacco trade has withstood the depression as good, or perhaps better, than any other industry in Canada.

MINING

Gold Activity Notable in Time of Price Decline

CANADIAN MINING JOURNAL
Gardenvale, P.Q.
R. C. Rowe, Editor

General metal market conditions still continue to affect the mining industry; but the technical position of the various base metal mining companies in Canada is such that they can definitely withstand continued low prices, and there is no doubt that they can survive the economic restriction of output which now appears to be inevitable.

In this phase of the industry general purchasing will be kept within close limits for the autumn and winter months, and nothing beyond maintenance requirements may be looked for. Inventories of supplies are down, and will undoubtedly be kept low during the present period. It should be noted, however, that maintenance requirements constitute a heavy volume of a most varied list of supplies.

Activity in gold mining still continues to expand, and a good deal of construction is projected in this field. Certain metallurgical developments point to the exploitation of large low-grade gold deposits. Construction in these cases will be on a large scale, and it is probable that valuable enquiries and ultimately heavy purchases will emanate from this source.

All in all, mining as a whole continues to consolidate its position, and to justify more and more the statement that it is one of the greatest stabilizing factors in Canada's commercial structure during these trying times.

DRY GOODS

Potential Shortage Seen in Merchandise Stocks

DRY GOODS REVIEW
Toronto
A. D. Hughes, Associate Editor

Stocks of wholesalers and retailers in the dry goods trade are undoubtedly low at the present time, as they are in other fields. Dry goods merchants throughout Canada, in communication with Dry Goods Review, indicate that retailers' stocks are substantially lower than they were at this time in 1930. Information received is to the effect that the decrease varies all the way from three per cent to 30 per cent. This situation holds an element of potential shortage because any increased demand in merchandise would undoubtedly place some wholesalers in an awkward position.

The statement is also made that merchants are losing business through carrying abnormally low stocks because they are not able to satisfy consumers by offering a complete line of goods. Wholesalers' stocks are also much lower at the present time than they have been for many months.

Dollar sales of retailers are from five per cent to 30 per cent lower than they were at this time in 1930. Reflecting this condition sales of wholesalers have reacted accordingly. Some wholesalers report a decrease in dollar volume while their unit volume is at approximately the same level.

In the dry goods trade it is generally agreed that lower prices have not stimulated demand to any appreciable extent. Wholesalers report that buyers are cautious in making purchases for fear that a further reduction will take place. Retailers, in turn, assert that price seems to have little bearing on the sale of commodities to the consumer, and that the public has lost its judgment of values.

The consensus of opinion would indicate that although expenses of doing business in the dry goods field have decreased, the percentage of expenses to sales is higher than it was in 1930 owing to reduced volume. In many plants throughout the country part time operation has helped to keep expenses high. The shipment of smaller orders by manufacturers and wholesalers, resulting in greater packing, carrying, collection and correspondence expenses, has also contributed to higher costs.

Collections in general are declared to be slower than they were at this time last year, although the opinion is also expressed that the tightening up of credit policies which has been carried out in keeping with the nervous psychology of the times, has counteracted this to some extent.

LEATHER SHOES

Production Runs High But at Lower Prices

THE LEATHER WORKER
Montreal

It is harder than ever to obtain a profit from shoes but there is plenty of business to be had at reduced prices and the manufacturer who is prepared to carry on on this basis has little to worry about. Shoes today are more wanted at reduced prices, the cheaper shoe now being on par with the comparatively high-priced shoe of this time last year. Where before the consumer got substitutes for leather in the volume shoe, he now gets real leather on account of its low price.

Volume is About Same

Production is about the same in pairs but less in value in comparison with this time last year. The new tariff has constituted a check to the imports of Czechoslovakian and American shoes and now some shoes hitherto made in the States are being manufactured by Canadian firms under the American brand. One prominent American shoe firm has located a plant in Canada, this of course being directly traceable to the effects of the tariff, which may be said to have favorably affected the industry.

Small factories are working to capacity. Some large factories producing volume shoes are also busy, but due to the demand for low-priced footwear the high-grade shoe manufacturer is not disposing of his products with the same facility as heretofore.

On the whole, the shoe industry has shown definite signs of improvement and the outlook is more satisfactory.

MEN'S WEAR

Lower Dollar Volume of Sales—Cheaper Lines Sell

MEN'S WEAR REVIEW
Toronto
Ralph M. Edwards, Associate Editor

Clothing manufacturers and haberdashers are of the opinion that the business outlook for the fall of 1931 is brighter than that of last year. Although wholesale and retail stocks are abnormally low, retail buying is slightly heavier than during the last few months, due mainly to seasonal activities.

In a cross section survey, it has been found that actual sales of retailers and manufacturers are down in dollars. Quality firms, however, are not down materially in dollar volume but show a decrease in quantity, while the lower priced manufacturers have increased their unit sales. The decrease in sales on a percentage basis as to dollar volume varies from 10 to 20 per cent.

Lower Prices Stimulate Trade

Lower prices are stimulating business. This can be realized readily when one considers that manufacturers have substantially reduced their prices to retailers. The reduction would average perhaps 20 per cent.

In reviewing the unemployment situation with regard to the men's wear industry, it was found that in the case of every manufacturer and retailer interviewed, there had been no additions made to the staff and in few instances had there been any additions to equipment or factories.

Manufacturers claim collections are slower than a year ago but not as poor as many persons are led to believe. One manufacturer stated to Men's Wear Review that retailers' credit had been lowered to such an extent that the buying power of retailers in general had been adversely affected.

Pound Drop Hits Mills

Without a doubt, the September tariffs of last year materially aided the Canadian textile industry. Manufacturers who claimed they would not purchase Canadian materials, have placed orders with several domestic mills. But, the last few weeks have seen a change. Some Canadian cutters-up claim they will no longer purchase Canadian materials unless deliveries are more prompt. Following this ultimatum, the drop of the pound sterling has caused a good percentage of clothing manufacturers to cancel orders with Canadian mills and re-order from British firms for the present at least.

A style trend which might be considered as a possibility of increased business and profit for the men's wear retailer is the fact that plain materials are on the wane. Patterns are coming back in London and New York which means that a decided increase should be felt in the men's apparel business by next spring or summer.

MILLING

Unsettled Markets Tend to Make Business Profitless

CANADIAN MILLING & GRAIN JOURNAL
Montreal
T. N. Alsop, Editor

In comparison with last year there is little change in the domestic markets for flour, conditions being normal for this time of the year. In the grain markets the situation is better, encouraging factors being the low stocks in Europe and the poor quality of this year's European crops. Smaller exports from Russia, and they will be smaller than last year, in spite of the exaggerated reports of some time ago, and the appreciable curtailment of acreage together with unfavorable crop conditions in other countries, lend a note of optimism to the Canadian outlook, especially as the carry-over and the new crop are of a high quality for there will be plenty of room for high-grade wheat in the world's markets. The outlook is further brightened by the fact that a normal year's exports should render stocks at the end of the present crop year negligible.

Some New Markets Found

Trade commissioners have been successful in opening up new markets for wheat, and, while some markets hitherto open to Canadian wheat have been closed, old markets have been opened, more than offsetting the loss. China and Japan, of course, are always potential customers and will probably import more than usual this year.

Export markets for flour are, generally speaking, unfavorable, but there is no reason not to attain the same volume as last year when wheat was below the level for former years. Present conditions are of extreme perplexity on account of the exchange which makes export trade difficult. With the stabilization of the pound the situation will right itself.

More Milled in U. S.

One disturbing factor is the increasing amount of grain milled in bond at Buffalo. This jumped from 12,000,000 bushels in the year ending July 1, 1929, to 19,000,000 bushels in 1930. This quantity of grain ground in Buffalo, apart from the gain that would have accrued to labor and capital in Canada, constitutes a heavy loss to transportation in this country, both rail and water, by reason of lost freight.

The average selling prices of the mills are considerably lower than the decline in manufacturing costs during the past twelve months, and present prices in the domestic markets are altogether unremunerative and have resulted from the unsettled state of the markets and its gradual but steady decline.

Conditions in the flour milling industry have been distinctly unfavorable for some time but there are indications that point towards renewed activity. It is difficult to forecast the future, but we believe that time will show a distinct improvement in the industry.

AVIATION

Industry Carries on Quietly Awaiting Better Times

CANADIAN AVIATION
Toronto
W. M. Gladish, Editor

Plainly, the aviation industry in Canada is on dull days but great hope is held for the eventual future of aviation throughout the country. The curtailment of air mail services by the Dominion government was a bitter blow to the aeroplane operators and the industry generally but, for the moment, the air enterprises are trying to work out their salvation in other directions and are succeeding in part.

The recent Trans-Canada Air Pageant, which toured to both coasts and back and in which many firms had a direct interest, proved an effective feature for the cause of aviation. The Air Derby at the time of the Canadian National Exhibition also was a big boost for Canadian aviators, again proving that we have flyers that can do things and go places. There is a tendency on the part of a few leaders of the aeroplane industry in the Dominion to become serious, however. They are frowning upon aerobatics and so-called circus stunts in the belief that air antics encourage the man on the street to keep at least one foot on the ground. They want to see aeroplanes used generally in straight flying for business, health and pleasure, like any other means of transportation.

Some Low Cost Machines

Some aeroplanes are as cheap as automobiles. Even big aeroplanes are as cheap as cars when carrying capacity is considered. Aeroplanes are cheap to fly. Aeroplane fares are close to the level of railroad fares. Aeroplane safety and all-year reliability are being stressed. Therefore, common aeroplane travel is assured at a comparatively early date. In other words, the future of aviation is brilliant, although it is a bit of a struggle right now like any pioneering.

Stocks of aeroplanes are low in this country. There are many antiquated "crates" in the air. Even the Dominion government is behind the times in this respect, the example being the somewhat prehistoric Siskins with which the "Borden Boys" have been thrilling the multitude throughout the country. Thus sales may jump when Old Man Depression goes into a tail spin.

The aeroplane trade naturally has turned to the remote northern field as the outlet for new machines and they fill a transportation need there in exclusive manner. Word has been received that a commercial enterprise has just purchased an immense freighter from Germany for everyday work in sub-Arctic regions. Truly, an aeroplane is a plaything for the enthusiast, but it is a practical vehicle for modern business expansion, in New Canada particularly. In a word, what has been seen in aviation so far is relatively nothing to what the future holds.

MACHINERY

Need for Efficiency Stimulates Some Tool-Buying

CANADIAN MACHINERY AND MANUFACTURING NEWS
POWER HOUSE
CANADIAN FOUNDRYMAN
Toronto
Herb. C. Braund, Managing Editor

It has been said that the machine tool and equipment industries, in a depression, are first down and last up. This is not entirely applicable this time, because of the ingenuity being shown by producers of tools on the one hand, and users of these tools on the other.

The industry has in the past been entirely dependent on the trend of general business. When demand was good, manufacturers would buy equipment. When it was bad or uncertain they kept their money in the bank. These days, many producers are discovering that that money pays better if invested in modernized equipment to cut the costs of their products and put them in better fighting trim in their own markets.

This realization, plus remarkable ingenuity in the improvement of tools and the devising of new ones, and the equipment requirements created by the variety of new products invented to tempt buyers, has helped the equipment industries. Few manufacturers want to predict, even a few months ahead, but they do point out that apparently a bottom has been reached and scraped, that new tools are many times as productive as those produced a year or two ago, and that the bulk of the equipment now in use is antiquated. Obsolescence has a new meaning. The tariff changes helped the few machinery builders in Canada, increased the cost to the buyer of equipment necessarily imported and improved the opportunities for British firms.

Inventories are at a minimum in the metal-working industry. Prices for supplies in not a few lines have not dropped appreciably.

FUR TRADE

Uncertainties in Trade Due to World-Wide Influences

FUR TRADE JOURNAL OF CANADA
Toronto
Robert G. Hodgson, Editor

The fur market, like Wall Street, is one of the uncertainties of a great field. No one can foretell a possible future market but we are all compelled to form some basis of conditions as to the coming fur season and from appearances at the present time all things point to a bigger season this year. The fur dealers themselves feel it and generally it is "whispered" throughout the trade.

Last year at this time there were more pelts in the hands of dealers and manufacturers than this year and they were of a poorer quality. Fur farmers particularly in the various foxes, sacrificed much to get rid of their poor stock last season. At the present time there is a tremendous demand for silver fox pelts around the fifty dollar mark to be used as scarfs and trimming for the medium classes. Last year the market had to be made for such goods. It is unlikely that there will be the supply of furs thrown on the market this season and with a clean house, competitive bidding should drive various furs considerably higher.

Bargain Prices Now

We believe that most furriers and manufacturers have already taken labor costs and general manufacturing costs. Costs have dropped some, it is true, but never in the past fifty years have there been such bargains in furs as at the present time. Some stores still try to secure the old high prices of say three years ago but they are sadly in the minority.

The tariff changes of last fall and spring affected us chiefly in Russian furs. Other countries, of course, produce various types of lamb, in fact some fine Persian Lamb is produced right here in Canada. The Russian sable, a fur for the very wealthy only, is about the only animal whose pelt comes from Russia, that is affected here. The people who want it can afford to pay for it—or do without.

There are various conditions that may upset the fur markets of the world. The United States tariff of 50 per cent duty on silver fox pelts which is really a ban; and the Canadian ban on Russian pelts are the only examples of restrictions on Canadian furs. The big markets where all furs meet for competition are in London, England and Leipzig, Germany, and Canadian and United States markets reflect the trend in these, as well as other markets abroad. We cannot sell silver fox pelts in the United States whereas the United States get rid of huge numbers of their pelts in their own country (some of them from Canada it is true) and then compete with us abroad. The money market, the effect of the gold standard being changed in England and other things might upset the fur apple-cart at the present time but with a normal demand for pelts and the market cleaned as it is, prices are bound to strengthen and the conditions at present existing in the fur trade and the fur farming industry in general, improve.

CONSTRUCTION

Only "Necessary" Work Proceeds at Present Time

MACLEAN BUILDING REPORTS
Toronto
H. W. Pepper, Ontario Manager

The total dollar volume of Canadian construction for the first nine months of 1931 has been maintained at a level that is very encouraging in face of more serious declines in other industries. For the three quarter year period a total of seventy per cent of that for 1930 has been recorded. Considered relatively to construction costs, the decline in actual hours of labor provided or materials consumed has not been of equal proportions; probably some ten per cent less.

The most favored group has been residential, which includes the construction of homes and apartments. This group is down less than 10 per cent from 1930. In the metropolitan area of Toronto an increase of over $2,000,000 is shown and Montreal Island is also slightly ahead of 1930.

For all Canada, business and industrial buildings are going ahead in volume exceeding half of the 1930 volume for the same period. Engineering works have been started to within $38,000,000 of the 1930 three quarter figure of $142,000,000.

Wait On Lower Prices

Building work in progress today is apparently confined to projects in the 'necessary' class. Houses, when completed, are quickly sold or rented and occupied. New apartments soon fill up to a paying percentage. Public, educational, religious and institutional buildings are, of course, occupied on completion. Store construction is quite active. New retailers in many lines continue to open in the newer, as well as established, districts. Other classes of buildings, as garages, office buildings, theatres and warehouses mature when demand calls.

The reluctance of those who ordinarily would forge ahead with work on new projects of a commercial type, in one sense, is fairly well founded. They are held back in the hope of lower material and labor prices; loaning companies demand definite assurance that the proposal will be successful; and there is always in mind the thought of present chaotic world conditions. On the other hand, if the proposal is sound, it would be far better to proceed immediately and for certain have advantage of present prices. Prices are just as likely to go up as down. When the uprush of construction starts, many will wish they had built today.

HARDWARE

Business Volume Off But Salesmanship Helps

HARDWARE AND METAL
Toronto
H. L. Southall, Managing Editor

One of the most encouraging features of the Canadian hardware trade is that credits are in very good shape because of continued prompt collections. In only one or two instances do manufacturers and wholesalers report collections as anything but exceptionally good considering existing conditions.

Business of most manufacturers and wholesalers in this trade is below the 1930 volume and in most cases below that of 1927. In some instances companies which have developed new products report volume this year approximately equal to 1930 and better than 1927 but they are odd instances. The decline in commodity prices must of course be kept in mind in making comparisons with recent years, on a value basis. A tonnage comparison would probably show up much more favorably. One of the largest electrical firms reports its 1930 business was equal to the five-year average but it is considerably less this year. Large electrical equipment is one of the later lines to show improvement, being dependent upon a stimulated industrial activity requiring expansion. A paint manufacturer made such a good showing in the East this year that despite a general reduction in Western business of one-third his total volume so far this year including the West is off only 8½ per cent. There is a general feeling that the fall and winter months will show a better record than the early months of the year and that this will be more than a seasonal improvement, but many are warning against forcing the issue by volume production and ridiculous price concessions. A large washing machine and woodenware company selling largely in the northwest had a decrease of 10 per cent in volume this year compared with 1930. Maritime hardwaremen report considerably less volume this year than in 1930 and do not see much immediate hope in the situation except in Saint John, where port reconstruction is creating activity.

Expenses Being Cut

Nearly every manufacturer and wholesaler has made reductions in overhead expense but not in proportion to the decline in volume, thus making it impossible to maintain former profit ratios. Most of them report reluctance to discharge employees or to reduce salaries.

The outlook for fall is a little hard to judge. Bookings are ordinarily a gauge, but the lateness of the budget this year created many price uncertainties and the booking season passed with very small commitments. It is expected there may be a more active sorting business this fall as a result.

Inventories in hands of both wholesalers and retailers are considered to be light, except in some special items. It turned out to be a better year in repair parts for some lines than for complete replacement of articles concerned, with the result that fair stocks of some lines are being carried over to next year. There has been a steady reduction in hardware prices during the past year but the trade is buying closely and is not loaded up with big stocks of higher priced merchandise as was the case in the 1921 depression. Sales tax changes have brought the only upward revisions in some time. Retail prices have dropped steadily where wholesale prices have declined, and this has affected nearly everything except lines where monopolistic control has enabled makers to maintain prices. Hardware and Metal's index of hardware price movements shows that based on 100 in 1921 following is the recent trend: 1927—97.24; 1928—96.43; 1929—92.62; 1930—90.76; 1931—86.81.

Importations Decline

Trade returns show the effect of the tariff on hardware importations. For the fiscal year ending March 31, 1931, Canada's imports of hardware and cutlery from United States totalled $1,968,829 compared with $3,067,518 in the previous fiscal year. Importations from United Kingdom dropped from $1,116,982 in fiscal year ending March, 1930, to $868,390 in the year ending March, 1931. Dumping duties are now being applied on slightest pretext on individual lines. On ammunition, auger bits, radio supplies and gasoline, drastic price reductions in the United States have not been allowed to Canadian importers, it being held that this is unfair competition, and dumping duty equal to the reduction has been applied.

The hardware trade is endeavoring to stimulate business by bringing out many innovations. Retailers are making a harder drive than ever on the sale of larger items sold on the installment plan, and are putting door to door salesmen out to canvass for business. Manufacturers of washing machines, radio sets, refrigerators, blowers, and many other lines have found door to door selling too expensive of late, and retail hardwaremen are glad to step into this field because of its profit possibilities.

BAKERIES

Worst Period of Difficulty Draws to a Close

CANADIAN BAKER AND CONFECTIONER
Toronto
Charles H. L. Reid, Editor

At best we can only look for a seasonal activity in the baking business. There seems to be a slight increase in activity, particularly among the retail bakers even now. As colder weather comes on this activity will increase somewhat until after the end of the year. We can see nothing on the horizon that would indicate a general bettering of conditions.

A year ago most bakers bought quite heavily of flour. The price was showing a considerable drop as against the year previous to that and most bakers felt that they could make no mistakes in getting their full requirements for at least four or five months, or longer, although some of the mills cautioned them against committing themselves too far in advance. Subsequently the price of flour slipped down again another dollar a barrel or so and with it the price of bread was declining. This put a lot of them in the red. We should say that about 99 per cent of them are now operating on current flour, however. From that angle they are better off.

Not Making Money

To get a proper perspective of bread prices in their relation to cost, it is necessary to go back more than a year ago. The situation can be fairly accurately judged from the fact that two years ago September Flour sold at $8.00 while 1930 September Flour sold at $5.30. September 1931 the same grade of flour under the same conditions is selling at $3.75. I am quoting what I assume to be the average price for baker's second grade flour bought in carload lots and delivered in the Toronto district.

When flour was at its top price in 1929 bakers were getting 10c and 11c for their bread. Conditions in the rural and urban municipalities are not quite analogous. Outside of the large centres bakers are getting 6c and 7c for their bread on a general average. In the larger centres they put out two loaves, one of which meets the cheaper bread competition and the other selling off the wagon to the householder at 10c. Considering these facts alone it would appear that bakers should be making money, but there are other factors which dissipate that idea once they are stated. In the smaller communities we should think that the majority of bread bakers should now begin to make money considering the prevailing price they get for their product and what they pay for their flour. On the other hand in the larger communities where bakeries are equipped for a much larger volume than is now possible on account of the general depression, the reduced volume has kept them in the red continuously. For instance, delivery costs, even when the volume was higher would run around 3c a loaf. Bring the volume down to two-thirds or less of what it was and it will be seen that this 3c a loaf for delivery would mount. Of course, adjustments have been made as far as possible in the way of reducing routes and doubling up others, but it is difficult to curtail a route once it has been started.

Flour represents a much less proportion of the total cost of a loaf of bread now than it did a few years ago because whereas formerly bread was made from flour, water, yeast and salt, the modern loaf is made up, in addition to these ingredients, of milk, malt, sugar shortening and mineral salt. Competition in the bakery field has always been such that the bakers wage bill has never been on a par with other industries and so in the time of stress the bakery is able to curtail in that direction very little. In short, the readjustment that could be made in wages and delivery when added to the decrease in the cost of materials going into bread, considered in relation to the sharp decline in the price of the loaf, gave the baker a much smaller margin. In many cases the margin disappeared altogether and kept bakers, particularly the larger ones, in the red.

The reduction in the retail price of bread more than equals the reduction in manufacturing costs.

New Trends Noted

As to trends in the bakery field we have in recent months the idea of sliced and wrapped bread and what is known as the twist bread. There is also the idea of emulsifying the dough. All these things add to the manufacturing difficulty without any great hope of returns.

Changes in the general business conditions of the world also have their effect on the baking industry. The concentration of families in apartment houses and the smaller family of the present day calls for less poundage of bread to be delivered per house. That in itself keeps the delivery cost high. People expect to get their bread at the door and in Canada do not go to the grocer or confectioner to buy it. Motor delivery has widened the area of the modern bake shop which has had a tendency to concentration of the industry. There are not so many small bakers now baking bread as formerly. There appears to be just as many small bakers making sweet goods as ever, in spite of the fact that recent months have shown a large increase in the number of large, essentially bread making plants, going into the sweet goods baking as well. Cakes, pies and small baked goods are now delivered to the housewife along with the bread, which is having a profound effect upon the community baker.

ADVERTISING

Appropriation Cuts Reduce Current Volume of Ads.

CANADIAN ADVERTISING DATA
Toronto
D. J. Little, News Editor

A prediction as to the general outlook for fall and winter advertising as compared with the same period a year ago, would at the moment, constitute only a very speculative forecast.

From general observation during the past few weeks, and after as thorough an enquiry as it has been possible to make among representative advertisers, advertising agency executives, the managers of daily newspapers, and the advertising managers of certain periodicals with a national distribution, we can say emphatically there is no occasion for pessimism.

While it is true that some progressive firms take advantage of business-ebbing tide by increasing their advertising appropriation, and thus dam the outflow and maintain a higher tide than the average for themselves, yet the majority of advertising media are used less, and the total advertising expenditure of all advertisers is reduced during a period of business low tide.

Come Back in 1932

The bulk of business houses sustain their advertising, nevertheless, to a higher point proportionally than their loss in business would seem to dictate. The lessened advertising volume only corresponds with decreased business in a ratio determined by the height of the dam which the advertiser builds to get and to hold business.

The manager of a group of Canadian national magazines expresses the opinion that advertising would not be so good this fall, but would be better after the first of next year, in comparison with the corresponding periods of a year ago. His contention was based on the loss of advertising being suffered this fall through firms which had temporarily suspended their usual expenditures at the beginning of 1931, and upon the fact that many of these firms had decided to come back in 1932, and get their share of the business available.

See More National Ads

The advertising manager of a Toronto evening newspaper reports that for the first eight months of 1931 his national advertising, exclusive of automobile and travel, but including financial, had been slightly ahead of the same period last year, and that during the summer months when a seasonal drop might have been expected advertising had held up remarkably well. Their local advertising had exceeded that of last year. Automobile advertising had been down, but he predicted a revival in this class of advertising early next year. Indications, judging by the reports of the advertising representatives of this newspaper, were that national advertising would increase next year, at least in so far as the newspapers were concerned. However, looking outside his own office, this same newspaper executive said he was frankly bewildered, and doubted whether his prognostications based upon the indicated trend in his own organization at the present time could be taken as an actual barometer of the immediate future.

The tariff changes of last fall and spring have not, to date, affected advertising in this country, and until the effect on business is more pronounced we need not expect to realize any advertising trend resulting therefrom. It is believed in well informed publishing and advertising circles that the new tariff on foreign publications will have a beneficial effect on advertising linage in Canadian media, including newspapers, magazines and business publications.

As also pointed out to us by another advertising agency executive—business is spotty. While the majority of advertisers in this country are maintaining their expenditures of recent years, and a few have already made increases for this autumn and coming winter, the great majority will not make their advertising appropriations for 1932 until November.

FINANCE

Deflation Continues; Point of Stability Not Reached

THE FINANCIAL POST
Toronto
Floyd S. Chalmers, Editor

Financial, investment and banking influences are at the core of business conditions. There is little stability yet in finance. The process of deflation continues at unabated pace. There is yet no free international flow of capital.

Foreign exchange markets will remain unstabilized for some time to come and normal investment channels will for that reason remain blocked until readjustment has proceeded further.

In Canada there is ample banking credit available for those who require it but no easy loaning policy by the banks will be adopted until conditions warrant such.

Much mortgage money is frozen but ample security will bring forth offers.

In stock markets investment demand does not yet match necessitous liquidation and prices in consequence fluctuate considerably with no firm foundation.

The bond market is at present paralyzed by exchange uncertainties but will resume activity when present nominal quotations give way to more definite trends.

The writing down of paper values is being followed by reorganization of capital structures and in many cases of funded debts.

BUSES AND TRUCKS

Sales Are Slower Though Fleet Business Grows

BUS AND TRUCK TRANSPORT IN CANADA
Toronto
W. M. Gladish, Editor

The motor truck is the tool of business, in a general sense, therefore sales of commercial vehicles have been on the slow side in some respects—in keeping with slack activities in numerous fields. But the motor truck has made good with a vengeance as a facility for business operations and the situation is, accordingly, encouraging.

For automotive transport service, local trucking and for individual delivery work, the motor commercial vehicle has earned a solid place. Although the motor truck is not entirely to blame for railway deficits and railway unemployment, the railroads are showing themselves very jealous of the public commercial vehicle operators with their door-to-door service and other conveniences including speed of transport. A healthy share of the industry's business is in supplying the vehicles for this phase of truck operation and it will undoubtedly continue to expand despite the protests of the railroads. The latter will probably find that they will have to adopt the motor truck on a large scale in order to meet modern conditions but this will only mean more business for the truck delivery. Moreover, the automotive transport people have their friends as well as their enemies and they will undoubtedly enjoy increased support in the years to come.

Large Fleets Are Gaining

Truck fleets for private use are increasing and more fleet owners are being added to the list almost from day to day, which means that business in this direction is also highly promising. At a time when foreign tourist cars are fewer on Ontario roads, according to an official government census, it is interesting to note that local motor vehicular traffic showed an increase over last year with motor trucks 28 per cent greater in number than in 1930. Bus traffic also showed an increase of two per cent over the same period one year ago. This shows which way the wind is blowing. Bus operators are undoubtedly building for the future, an indication being the substantial bus terminals which are making their appearance in several cities.

Lower priced truck models have been offered in several instances during the past four months but there is no pronounced trend toward reduction in prices. The manufacturers have been giving more attention to the development of models for specific purposes, apparently, than cutting the prices of standard lines. A comparatively recent development has been the introduction of low-centre trucks for house-to-house delivery of table commodities, which field has been the last stronghold of the horse-drawn vehicle. There is now a truck for every specific purpose.

Stocks of motor trucks in dealers' hands have always been low because it has been the policy of the trade to build up a commercial vehicle to order for a definite job. Inventories are low, accordingly, and will probably remain so. Spare parts and supplies kept under control as usual, according to requirements. There is little change in this respect.

Unemployment relief in itself is likely to give the truck industry some business and employment because the projects this winter will require trucks for haulage of excavated material, as well as machinery, building supplies, camp equipment and even foodstuffs. This feature may not be substantial, in so far as the trucks are concerned, because there is a tendency toward the use of horse-drawn vehicles, on the highway jobs, for instance, in order to spread out the employment.

MOTOR BOATS

Best Builders Will Enjoy Bulk of Prosperity

CANADIAN POWER BOATING
Toronto
Andrew D. MacLean, Toronto

The outlook for private pleasure boat building during the winter is considerably brighter than at this time last year. Modern production methods plus the necessary efficiency in difficult times will tend to reduce, slightly, the prevailing prices on the more popular lines. The cost of specially built yachts will also decline as the cost of material falls, although as labor is the principal item, nothing but slight reduction will be noted.

An important trend in buying is most noticeable. The public, through the reading of yachtsmen's magazines, is becoming educated to demand modern style, efficiency and construction. Only those boat builders who build from modern designs and who improve their methods of doing business will enjoy the limited prosperity that 1932 promises.

TEXTILES

Canadian Mills Gain But Competition Keen

CANADIAN TEXTILE JOURNAL
Montreal
E. S. Bates, Editor

A survey of developments in the Canadian textile manufacturing industry during the past year brings out some very interesting facts. Of course, the general trade depression and upheaval in world trade, together with the decreased purchasing power of the Canadian market resulting from these conditions, have curtailed developments in this industry, or at least have prevented the industry from deriving full advantage from the increased tariff protection against importations of textile manufactures. But, the position of the Canadian manufacturing industry today is vastly improved over what it would have been if these tariff increases had not been put into effect.

In the first place, importations have continued to be a depressing factor. Large importations at old tariff rates up to the end of November last year hung heavily over the market during the early months of this year. It was not to be expected either that foreign producers and merchants would yield their Canadian business to domestic competition without putting up a valiant struggle. In this they have been ably assisted by Canadian importers, and, to an even greater extent, by continually lowering prices of raw materials, wage reductions and general reductions in costs of production. On top of this, the world struggle for export business in textiles, the continued severe depression in the textile industry in United Kingdom, and the continued overproduction of textiles in United States, have combined to maintain import price competition in this market almost as severe and menacing as before the upward tariff revisions came into effect. It has required some time also for the Canadian Government to make the new tariffs and customs regulations fully effective.

Some Progress Noted

It is remarkable, therefore, under these conditions, that the Canadian textile industry has been able to make any substantial progress. However, the record of developments during the past year includes the establishment of 18 new textile concerns, the restarting of four woollen mills which had been closed for a number of years, the reorganization of two other woollen concerns on a materially increased basis and the construction of large additions by 14 established mills, some of which have been very large. In addition, there has been a general overhauling of equipment and many important installations of new equipment have been made by the older established concerns. This record is one of confidence in the future of the industry and of the intention of Canadian mills to supply the textile requirements of this market.

NO GENERAL FALL AND WINTER TRADE UPTURN IS FORECAST

As Business Paper Editors See Current Trend of Business

Trade	Trend of Sales	Trend of Prices	Position of Inventories	Effects of Tariff Changes	Remarks
Foodstuffs	Well maintained; some increases	Have responded to decline	Very low on retail shelves	Canners aided. Some new plants	Prospects are for stable volume
Tobacco	Some declines, offset by other increases	Practically unchanged	Big stocks of raw tobacco	No change	Growers conclude profitable year
Mining	Only gold moving freely	All down except gold	Supplies bought hand-to-mouth		Much construction planned in gold mines
Dry Goods	Dollar sales lower in stores	Cuts do not seem to aid trade much	Lower than usual		Expense ratio holds high; collections slower
Farm Implements	Much reduced in Western Canada	Show good cuts in many lines	High in factories; low in branches	Increased duties Absorbed by plants	Rise of dairying aids some lines
Paint & Varnish	Decline in building affects turnover		Hand-to-mouth buying has long ruled		Improvement seen in next few months
Pulp & Paper	Mills are reasonably busy	Lower due to higher production	Not above normal	Changes aid Canadian mills	Development of new products is help
Automobiles	Volume is now considerably reduced	At bed rock	Dealers keep stocks at minimum	Tends to Canadianize industry	Hope is held that revival on way
Leather Shoes	Plenty of trade at lower prices	Considerably lower		Some firms gain real benefit	Some factories are working full blast
Men's Wear	Lower dollar volume	Substantial cuts reported	Stocks abnormally low	Aided textile branches of trade	Style trends now favorable to trade
Milling	Domestic trade normal. Exports sales off	Prices are unremunerative			Export outlook tends to brighten
Aviation	Industry is in dull days	Some planes are now cheap	Stocks are low		Industry waits on end of depression
Sports Goods	Public continues to buy	Much unnecessary price-cutting	Inventories low		"Frayed nerves" lead to sports activities
Printing-Publishing	Business declines with general trend			Aids both printers and publishers	Trend of trade will follow business level
Flowers	Volume off due to luxury nature	Lower with smaller demand			Some high cost investments are losing money
Jewellery	General volume of sales is lower	Prices show downward trend	Stocks are not high	Little effect from changes	New electric clocks help but trade is dull
Buses-Trucks	Volume off with general business drop	No pronounced downward trend	Never are high		Fleet business gains in Canada
Dairy Industry	Home trade holds; Exports gain	Low levels in all branches			Butter finds surplus market in Britain
Radio and Music	See 1931 sales of 250,000 sets	Radios sell at lower prices	Dealers stocks below normal		Piano industry hopes for revival
Textiles	Canadian sales hit by imports	Prices low due to competition		Great benefits felt	New plants and extensions reported
Laundries-Cleaners	Volume follows general conditions	Laundry prices steady; cleaners cut prices			Improvement waits on better general situation
Motor Boats	Limited now	Efficiency reduces costs and prices			Good designers will get most of trade
Chemicals		Raw materials decline more than products			Price adjustments not yet completed
Hardware	Trade below 1927 volume	Trend is steadily downward	Stocks are light	Dumping duties drastically applied	Profit ratios show reduction
Bakeries	Business trend purely seasonal	Lower prices cut into profits	High priced flour worked off		Fewer small bakers now in field
Advertising	Present lineage is lower				Prospects are for bigger volume in 1932
Motion Pictures	Attendance falls below last year				Theatres are still making good profits
Lumbering	Consumption lower, domestic and export	Prices lower and fluctuating	Mill stocks high; retail stocks low		Industry now strives for balanced production
Books-Stationery	Turnover at lower level		Stocks at low levels	Tariff aids greeting card manufacturers	Little change seen for fall and winter
Machinery	Sales restricted to cost-cutting tools	Prices lower	Inventories at minimum	Machine builders aided by changes	Modernizing of plants creates some buying
Fur Trade	Uncertainties beset trade	Expect firming of present low prices	Large stocks of last year reduced	Fewer Russian furs coming in	World fur markets somewhat upset
Finances	Stability not yet reached	Price improvement awaits end of uncertainties	Many undigested bonds and stocks		World economic situation is dominant influence
Construction	Dollar volume 70 per cent of 1930	Public awaits even lower prices			Residential building shows smallest drop
Drugs	Decline small; some firms report gains	Fairly stable despite price competition	Not large		Competition of chains retailers' worst problem
Insurance	Smaller fire business; Life sales down 10%				Mounting losses are real problem now
Plumbing-Heating	Retailers buy on reduced scale		Stocks are low		Oil heating, etc., stimulate trade
Grain	Accumulated supplies still barrier to trade	Prices still at bargain levels	Large stocks on hand		Trade paves way for future normalcy

DAIRY INDUSTRY

Milk and Cream Are Farm Standby; Britain Buys

CANADIAN DAIRY AND ICE CREAM JOURNAL
Toronto
H. G. Skinner, Editor

Two things especially to be avoided at the present time are undue optimism and unwarranted pessimism. So in making any comments on the position of the dairy industry of Canada at the present moment, it would be incorrect to paint the picture in bright gold and yet the use of much black is certainly not called for.

With the fall in prices, the net value of the products of the industry has fallen, but this is being largely offset by a considerable increase in production in several branches. Especially is this noticeable in the creamery industry, where every province has regularly, month by month, reported impressive increase in production. The consequences of the great help afforded farmers by the cash market for raw milk and cream are likely to be far-reaching and it is certain that the farmer will not again readily abandon dairying when wheat or other prices are temporarily inflated. Dairying has proved to be the great stand-by of the farmer when other markets have failed.

Little Drop in Sales

As dairy products are essential products for the human diet, their use continues with only slight, if any, curtailment in times when other industries may be depressed. Indeed, any tendency to curtail the use of these products is probably counteracted at the present time by the lowered prices of these commodities, enabling them to be included in the usual quantities in the average family budget.

The butter industry has found a good outlet again in the British market for its surplus production, and the export trade, which up to last year had dwindled to vanishing point, is again being built up. Indications are that the British market can take practically all the surplus butter which Canada can produce, and of course the position of Canadian cheese on this market also is well known. Cheese exports have increased appreciably at the time of writing over the amounts exported last year, although 1930 was a poor year in this regard. Canada has still a splendid market for cheese which has never been exploited to anything like the extent it deserves, and that is at home.

Prices Are Low

Raw milk and cream prices are somewhat low, yet it has been shown by progressive farmers in all parts of the country, as well as proved by results obtained at various Dominion Experimental Stations, that the farmer who watches his herds for production, adjusting his feeds according to the market, and generally conducts the business of milk and cream production along business lines, can make a comfortable profit even at the present comparatively low prices for milk and cream.

The ice cream branch has had a successful summer season, and as usual the tourist trade has been a most valuable asset in the sale of this product as well as other dairy produce. The gradually increasing habit of regarding ice cream as a valuable and useful food instead of as a mere luxury is now having the effect of stimulating winter sales of this commodity to a considerable extent.

All round, therefore, the dairy industry is not merely sound, but quite reasonably prosperous. It is testing time in one regard, and that is for the extravagantly managed plants of those burdened with excessive overhead. General adjustments of costs of production and distribution here are taking place, and the general trend of recent reports of many of the larger dairy companies indicate that even on the margin of lowered profit caused by lowered selling costs, net profits are being maintained at a satisfactory figure.

The dairy industry can face the future with the utmost confidence.

FARM IMPLEMENTS

Industry Will Weather the Storm—Volume Off

CANADIAN FARM IMPLEMENTS
Winnipeg
A. A. Thomson, M.E., Editor

Like many other lines of business, the implement industry in Western Canada is passing through a trying time, and is affected possibly more than other lines of trade as it depends to so great a degree upon the purchasing power of the farmer. Also, the other lines of business, distributors in this industry are prone to compare their sales volume in 1931 with the very high volume of goods sold in the years 1926 to 1929, and the first half of 1930. A better idea of percentages of trend would be possible by comparing with the average volume from 1919 to 1926—normal years for demand.

It is yet too early to arrive at any accurate idea as to sales of implements and power farm machinery in the Canadian West. Obviously it will be down, as Southern Saskatchewan, one of the best markets for power farm machinery, was this year eliminated as a market through drought. But in Alberta, North and North-Central Saskatchewan, and throughout Manitoba, there were many areas with fine crops, and the final tonnage of grain produced in the West in 1931 may surprise the pessimists who consider this territory a minor Sahara desert this season.

Inventories Vary

Volume of late fall and winter sales will depend upon the prices the farmers receive—in fact some items are in consideration of the cost of production. The steady development of dairying—the fact that more stock will be raised and fed on our Western farms this winter—will develop demand for feed grinding, cutting and crushing equipment, water supply goods, etc.

Inventories vary with locality. Where crops were poor, distributors will have a larger carry-over. Again there are thirty-third-power machines, like tractors, combines, threshers, which will be carried due to lower demand. On the whole, factory branches and distributors showed foresight and caution in ordering this year.

Retail prices of many units are away down as compared with six years ago—in fact some units are selling at lower levels than in 1914. The writer cannot say as to manufacturing costs; but it is safe to say heavy losses have been taken by factories in order to assist the farmer in this period of economic difficulty.

The tariff changes made by our government have not affected the implement industry. Duties imposed on imported goods were absorbed by the factories. One effect was that several American firms whose lines were jobbed in Western territory, had to withdraw from the market.

It would seem that we have entered an era of lower grain values. Western farmers realize that the cost of adequate net profit from harvest grain at lower price means wider use of tractors, power implements, combines, etc. Therein lies the fact that when prices improve the Western farmer will again be in the implements market and new implements to eliminate labor and do more work in less time, at lower cost.

Despite long term credits, difficult collections, debt adjustment bureaus and a steady problem to maintain sales staffs in a period of decreased volume, the implement industry in Western Canada will weather the storm and stand ready to aid agriculture when again economic seas abate and business can make sail for better and brighter horizons.

PAINT AND VARNISH

Decline in Construction Reduces Sales

CANADIAN PAINT AND VARNISH MAGAZINE
Toronto
J. A. Grout, Associate Editor

In common with many others, the paint and varnish industry has been passing through a year faced with more than the usual array of problems. Lessening of activity in the painting and decorating trade, and the decline in new building have caused a reduction in the year's paint sales that has been partially offset by a fairly brisk sale of paints to householders during the spring months. The summer months have been seasonally quiet, although some paint companies report a slight increase in August over the same month last year.

While many paint companies have maintained fairly satisfactory business in Eastern Canada, they have suffered considerably in the prairie provinces due to adverse conditions there. The credit situation there has become a serious problem, and terms are being asked which interfere with sales.

A number of the larger paint companies, interviewed by Canadian Paint and Varnish Magazine, expect that some improvement should be noticeable next spring; others think that the end of this year should see a turn for the better.

Generally speaking, industrial sales of paints and varnishes have been reduced, particularly in the automobile industry. Production of cars this year is said to be one-third less than last year and this has been reflected in the sales of lacquer. Owing to curtailment of railway and steamship company programmes, less paint has been required by these companies for equipment upkeep.

Hand-to-mouth Buyers

While it is thought by many that retail stocks in almost every line of business are becoming depleted, some paint manufacturers interviewed, do not think that this applies particularly to paint and varnish dealers. They point out that, for several years, dealers have been buying in increasingly small quantities, depending upon the prompt service of the manufacturers to keep them from running out of any particular line, and that, despite recent conditions, their purchases have been in proportion to their sales.

Despite strenuous competition in the industry due to quantities of low-priced paints offered to the public, many paint manufacturers are optimistic of the future. They look for some improvement within the next few months and are going ahead with plans for increasing plant and selling facilities. A number of the companies are near the end of their fiscal years and are busily engaged on their next year's programmes.

AUTOMOBILES

Canadianized Industry Looks for Better Buying

CANADIAN AUTOMOTIVE TRADE
Toronto
W. M. Gladish, Editor

The position of the automobile business in Canada is promising and the dealers have become increasingly confident and enthusiastic, as compared with their attitude only a few months ago. The point is stressed that many automobiles now on the road are wearing out and that many owners have deferred the purchase of a new car far longer than has been their habit. These automobiles will have to be replaced very shortly and, therefore, new car sales should be substantially greater during the next 12 months. There are indications that wide interest is already being taken in the new models which are sure to be introduced by various manufacturers at the end of the calendar year—just prior to the mid-winter shows. This interest is indicated by the unusual number of rumors, not only in the trade but among the people generally, regarding what this or that manufacturer will bring out in the way of new models.

Few Large Inventories

The automobile business in Canada is in a very healthy condition insofar as new car inventories are concerned, many dealers having a very minimum of new models on hand. In fact, there has been a tendency toward hand-to-mouth buying by the dealers but there are indications that they will open up with factory orders to take care of expected increased sales, particularly when the new models are introduced. Several automobile lines have been showing healthy sales, one being a new four-cylinder model which has moved up considerably in the production list because of its immediate popularity. Used car sales have been extensive because dealers have restricted themselves to second-hand automobiles to satisfy present needs. Several dealers have reported to Canadian Automotive Trade that their stock of used cars had been exhausted. The so-called used-car problem has not caused much worry in some instances this year. One dealer actually stated he wanted more used cars.

Automobile prices can be considered at bed rock. There have been price reductions but the talk of the trade has been that more car has been offered for the dollar than ever before. Little further slashing is expected. Tires are the cheapest they have been ever; battery prices are low and gasoline is available at a variety of prices so that car operations and maintenance can be regarded as low.

Tariff changes have wrought a considerable difference to the complexion of the automobile business in Canada since last May. The industry has become distinctly Canadianized, as exemplified at the recent Canadian National Exhibition. Dealers specializing in imported creations had a hard row to hoe and a complete change has been apparent toward Canadian-built automobiles—in some cases, cheaper lines. The export business of the Canadian automobile industry has become entangled with new tariff conditions while foreign exchange has made sales difficult. Further, it is generally agreed that automobile conditions in Canada are far better than those in foreign countries, excepting the United States which is not a market for Canadian cars anyway, and Canadian-made automobiles are being sold in a limited number in spite of this fact.

At the present moment, ordinary seasonal slackness is evident in the retail automobile business in Canada but the dealers have consolidated their positions and are looking to the immediate future with optimism.

RADIO AND MUSIC

Higher Sales of Radio Receivers at Lower Prices

CANADIAN MUSIC AND RADIO TRADES
Toronto
H. A. Jones, Editor

Given any reasonable chance this fall and winter, the radio-music industries will turn in very creditable sales figures. Estimates of what 1931 radio sales will run, range around 250,000 sets compared with 230,000 sets in 1930 and 190,000 in 1929. The average unit of sale will, of course, be down considerably.

There can be no trace of doubt left in the public mind that consumer prices in radio receivers have gone the limit in giving value in both appearance and performance. In fact most dealers feel the limit has been considerably overstepped.

Current prices mean two things. First, they will squeeze out waste selling costs such as over allowances on trade-ins, long terms, promiscuous home demonstrations, and unsound promises of free service. Second, to maintain sales, dealers will have to drive harder than ever on non-owners; also on owners of battery and old models due for replacement.

Few Congested Inventories

Dealers' inventories are subnormal. In radio, retailers have been schooled to wind up the season with stock down as close to nil as possible, anticipating the coming new models. This year because of falling list prices and uncertain general conditions dealers are buying with great caution. Thus, there should be few cases of congested inventories.

In pianos, retail inventories have been depleted to a shocking degree, and dealers have only been able to operate with such low stocks because of the quality of large numbers of used pianos that have come back on their hands through these trying years and through exchanges on radios. Any little spurt in piano demand would at once be reflected in orders to the fewer factories remaining.

In the next six months we expect to see an overdue revival in phonograph record activity which will be welcomed for its own direct sales possibilities and for its relation to the increase in combination radio-phonographs.

Outlook for the radio tube market is bright in view of the greater attention being paid to tube replacement.

A distinct new trend in the radio-music trade is in the direction of selling other products in the home-entertainment field and electric household equipment. When established retailers having long-standing connections with the homes in their territory are forced by economic changes to seek supplementary lines, the favorite step for this trade is adding such products as home movies and talkies, electric washers, ironers, vacuum cleaners, refrigerators, clocks, ranges, rangettes and the smaller appliances.

So branching out is creating certain new problems but the change is much less radical than it looks at first thought.

A further trend of much significance is the new attitude toward piano study, and therefore ultimately of reviving influence on the piano trade. Young Canada is increasingly being prepared to make music for themselves as well as to become intelligent listeners.

Group piano teaching is permeating Canada. It furnishes piano instruction in class as all other subjects are taught in our schools. It brings music study within reach of all families. It presents piano practice as fun and good-natured class competition in marked contrast to the old feeling of lonesome drudgery. So widely is the change being appreciated by parents and educators, that the tribute paid to the results of group piano instruction by Hon. W. G. Martin in his address at the directors' luncheon on "Music Day" at the Canadian National Exhibition brought thundering applause.

And in the background — more in the background than newspaper stories state—but substantially and progressively there, is television with all its commercial possibilities.

PULP AND PAPER

Industry Holding Its Own Despite Troubles

PULP & PAPER MAGAZINE
Gardenvale, P.Q.
J. N. Stephenson, Editor

The pulp and paper industry in Canada is usually understood to be represented by the newsprint mills. While it is true that this branch is the largest, it must be remembered that the industry has become quite diversified, and even the smaller divisions are important both to Canada and to the communities where such mills are located.

On the whole, it cannot be said that the industry is prosperous, but neither is the situation hopeless. It is holding its own. Several factors are gradually improving the general tone. Exports of pulp and paper in August increased slightly over July. The cancellation of the drawback of duty on papers imported for printing certain magazines and the revision of the tariff have undoubtedly resulted in a very considerable decrease in paper imports. The Canadian mills have benefited to a fair degree and the access of this business, though pruned by the general lassitude of printing and converting plants, has enabled a lowering of prices in this field. It is well to note that the consumer is getting the full benefit of mill price reductions.

Stocks Not Abnormal

Inventories, in most cases, are no greater than normal. Printers' and stationers' stocks are generally lower than is usually the case at this time of year. Some wholesalers, however, find themselves with more paper on hand due to anticipating a brisk fall demand that has not yet actually materialized. Orders are numerous but small and there are few printing projects in the air. Trade is distinctly hand-to-mouth, but nobody seems to be starving. And so the wheels keep turning.

Canadians are using Canadian papers and people in other lands buy them, too. The capacity for making writings and printings has been kept within reasonable bounds and these mills are able to keep employees from idleness. The situation here is about the same as it was a year ago.

Board, tissue, and wrapping paper mills are reasonably busy considering general business conditions. There is still very strong competition from imports, not only in papers, but more particularly in paper products such as bags, etc. The trouble comes from the practice of rebates by unscrupulous houses which thus seek to evade the customs duty.

The development of new products is helping the industry. The growth of the artificial silk and cellophane business means a greater demand for the special pulp for which a Canadian mill is famous the world over. The use of wall boards has increased the production and caused the development of new products. Research, so generously supported by the pulp and paper industry, is bearing fruit.

Finally, it must be remembered that this industry, which is bringing over ten million good hard dollars into Canada every month, is entitled to a lot of credit for keeping our trade balance in a healthy condition.

JEWELLERY

Dealers Avoid Danger of Cut in Inventory Values

TRADER AND CANADIAN JEWELLER
Toronto
Thomas H. Binnie, Editor

At the time of the famous drop in prices in 1929 the average retail jewellery store in Canada had a very large stock of merchandise on hand and on order. Quite a number of the orders were cancelled and left on the wholesaler's hands, but since the crash came the retail jeweller has been unloading his stock of merchandise and has been buying from hand to mouth, just enough merchandise to enable him to clear out his large stock. During the present year the stock of merchandise on hand in the retail stores has become considerably smaller and in many cases are just about the right size for a profitable business. The jewellery field is supposed to be one of the luxury class and during time of depression these classes of merchandise are supposed to be the first hit. However, it is gratifying to find many of the average sized jewellery stores in Ontario and Eastern Canada say that their business during this year to date is larger than it was last year. This has allowed the retailer to buy more merchandise this year than he did last from the wholesaler and manufacturer and unless anything unforeseen occurs, prospects are for a better trade in jewellery and allied lines this fall and Christmas than there was last year. It remains to be seen what effect this present financial crisis will have on the buying public.

Distress Goods Sold

In the jewellery field, as well as other lines, there has been a large supply of distress merchandise which has been placed on the market. It has served to cut prices to the retailer and also to the consumer which allowed a greater volume of merchandise being sold for the amount of money spent by the buyer. Silverware prices in particular have taken two severe cuts in prices all the way along the line since the depression of 1929, one of these coming quite recently. In the manufacture of gold jewellery the price changes have been very small largely on account of the standard price of gold. As the changes in the tariff during the past session of the House applying to jewellery and allied lines were very small, our importers have become accustomed to the tariff imposed at the special session of the House in 1930. The result of this was that importation of costume jewellery and other lines sold in jewellery stores shrank only a small percentage. The price of these were decreased in the country of origin to an amount practically offsetting the increase in duty applied by the Canadian government. This allowed the merchandise to be imported into Canada and sold at practically the same price as before, allowing every man handling it to make a small profit.

Clocks and Trade

One of the new fields being opened up to the jeweller is in the clock business. The new electric clocks which are being placed on the market provide a new outlet, or rather a new source of supply for profit for the retail jeweller. The drawback to this is, that very few of our jewellers understand electricity in even its simplest forms and are rather a little bit afraid to do very much with electric clocks for this reason. A great many of the retail jewellers in Canada have graduated from the work bench and during times of prosperity were rather successful in business without making a great deal of effort. The depression has proven to them that they have to be on their toes and get out after business if they are going to keep their store alive and sell merchandise. During the past two years there has been a noted improvement in the merchandising ability and lessons learned by the retail jeweller in Canada.

Taking the situation all round the prospects are for a steady improvement in trade conditions in the jewellery field all over Canada with the possible exception of the Prairie provinces. The shortage of the crop in the Prairie provinces for the third year in succession and the smallness of the price of wheat has kept business very quiet there. Even in these provinces considerable business is being done by those jewellers who try to sell their merchandise in the proper manner.

LAUNDRY AND DRY CLEANING

Laundry Trade is Steady; Cleaners' Trade Off

LAUNDRY & DRY CLEANING JOURNAL
Toronto
C. J. Warrington, Editorial Department

These industries are in the category of "maintenance services" and are, therefore, free from the almost general incubus of over-supply now existing in the productive fields. On the other hand they might be expected to serve as a general barometer of conditions, although this could not be assessed over a short period, as both industries are subject to seasonal influences; in the case of the dry cleaning industry, violently so. It is the latter division too, which is more susceptible to variations in general prosperity, being less indispensable to the large majority of wage earners. The two industries cannot, therefore, be considered together.

In the laundry business, the largest single operating charge is that of labor and administration, and the clearing house returns indicate no definite tendency for these to drop. Overhead also remains practically constant. The only possible reflection of current conditions would be in decreased cost of supplies, and as these form a minor item of expense, the advantage cannot be passed on to the consumer of laundry service. Lower prices could only follow a drastic general reduction in standards of living. In general, therefore, the recession of business is not countered by price reductions in the normal way. The tendency among laundry owners, who form one of the best co-ordinated bodies of workers in the country through their associations, is to give increased attention to efficient service through research, and to group publicity. As examples of this may be quoted the sponsoring of a laundry research branch of the National Research Council at Ottawa and the staging of an exhibit at the Canadian National Exhibition in co-operation with their allied trades firms, comprising a complete working laundry containing nearly $40,000 worth of machinery, installed at a cost of some $6,000. Their aim is to educate the public to the same attitude toward power-laundry service as is shown toward machine-baked bread and similar commodities.

The latest available statistics of the census of industry (for 1930) indicate that the capital investment of the laundry, dyeing and cleaning industries as a whole is increasing and that the business is in a healthy condition.

A symptom of the times is more noticeable in the dry cleaning business, where the tendency is toward catering for a wider variety of classes of work. Competition for business is waxing keen, and prices in some cases have been shaded to a point where the question of operating at a profit is in the experimental stage. This is the nearest approach in either industry to the general industrial situation.

Conditions in both industries await the ultimate trend of general conditions; both are consolidating their position so as to profit by a return to normal spending power.

FLOWERS

Luxury Industry Now Seeks to Find New Outlets

CANADIAN FLORIST
Peterborough, Ont.
J. S. McGiffin, Editor

All branches of the florist industry have felt the pinch of hard times during recent months. Since flowers are in the nature of a luxury with many people, they were among the first things to be eliminated from the family budget.

Expansion in the producing end of the industry has been rapid in recent years and large sums of capital are invested in greenhouses built at high prices. Under present conditions of reduced demand and lower prices, many growers are finding it difficult to make ends meet. There have been numerous reorganizations and some of the large producers have been forced to close up. A rather loose arrangement of long credits seems to be giving way to more cash business; a forward step in the industry.

Retailers although by no means prosperous, have probably suffered less than the growers owing to their smaller investment. Retail prices have been maintained a little better than wholesale prices but demand is lower.

There is encouragement in the fact that the Florists Telegraph Delivery Association, an international organization with over 200 members in Canada, reports an increase in the number of orders handled.

There is a general feeling in the industry that conditions will not be any worse than they have been. There have been some business failures but the impression seems to be that the worst is over.

Progressive members of the trade are trying to develop new outlets for flowers to people who are not now in the habit of buying them. Publicity through newspaper and direct mail advertising is being used to induce people to look upon flowers as an every-day necessity in the well-appointed home rather than limited to such occasions as weddings and funerals.

CHEMICAL INDUSTRY

Price Adjustment Continues Surely But Slowly

CANADIAN CHEMISTRY & METALLURGY
Toronto

It is very difficult properly to assess conditions in the chemical industry as a whole by using the same standards that one would employ in, say, the boot and shoe trade. The same basic conditions must be measured but the same yardsticks may not produce equally significant results. In the chemical industry, while the questions of inventories and retail prices doubtless hold an important place, they are not so fundamental in obtaining a proper perspective of the picture as are such factors as raw material cost, selling value and value added by manufacture. This is true of the process industries as a whole.

The prices of raw materials have been dropping for quite some time, and it would seem that for the present, at least, they are fairly well stabilized. But the value of the finished product has not dropped at the same rate, and this, of course, is true of any industry. When the price of copper, for example, falls to a new low level it is a long time before this is reflected in a lowering of the price of electrical apparatus made up largely of this metal, and it must not be forgotten that labor costs play a part in this lag. Such adjustments are now in process of taking place, and it is likely that they will continue for some time.

A consideration of the published statistics relating to the chemical and allied industries in Canada develops a rather clear picture of the conditions. Taking the cost of materials at the works, the selling value of the products at the works and the value added by manufacture, the relationship between these factors proves to be as follows:—

	Value added by manufacture expressed as	
Year	Per cent cost of materials	Per cent selling value
1926	130.5	57.5
1927	133.3	57.1
1928	142.8	58.8
1929	151.0	60.1
1930	149.4	59.9

This gives a clear view of the relations between the three fundamental factors reflecting conditions in the industry. They are seen to move in parallel lines, and the trend in the last five years has been upward. The ratio between the first and second columns proves to be 2.27, 2.32, 2.43, 2.51 and 2.49 for each of these five years. These figures reflect the relation between materials cost and selling value referred to above. The figures for 1930 are practically on the same level as those for 1929, and there is every reason to expect that they will undergo little change in 1931.

On the whole, while the industry has suffered to some extent from world-wide conditions, it would appear to be in a rather healthy state, and to be in a position to take quick advantage of the up-trend which will signify the advent of a general recovery.

SPORTS GOODS

Good Sales Volume as Relief Sought From Tension

SPORTS GOODS JOURNAL OF CANADA
Toronto
P. Grant Jones, Managing Editor

Going in and out amongst the sports trade, and conversing with manufacturers, manufacturers' agents, jobbers, dealers and retail salesmen, the writer hears on every side the remark "with business conditions today as they are, we're extremely fortunate in being engaged in the sports business."

One would think that faced with a condition where consumers are spending fewer dollars, the sports trade—regarded by many a luxury trade—would naturally be seriously affected by the present world depression.

But this is true only in a small degree. The sports trade is one in which retailers are catering to people's hobbies—and where hobbies are concerned, salesmanship is given wide berth. For example, it is not a rare thing to hear of a man buying a matched set of golf clubs at $75 or $80. If he's a fisherman, he may be induced to buy a $35 fishing rod. Thousands of tennis rackets are sold each year, retailing from $12 to $23, and many too at lower prices. The point is, that in dealing with a person's hobby a good salesman can frequently "step-up" his customer to a higher-priced article, solely because he is dealing with that customer's particular hobby. This fact has an important bearing on maintaining a healthy sport goods sales volume, even when trade generally is quiet.

Another factor which has had considerable to do with keeping the sales volume of sports equipment well up in comparison with previous years, is the growing realization on the part of Canadians everywhere that "It Pays To Play." We're living in an era of "high tension and frayed nerves," and "necessity being the mother of invention," we're discovering, as a nation, that the best antidote to this condition is participation in some phase of recreation. This explains why golf, tennis, badminton, archery, fishing, hunting and other avenues of sport have been adding to their ranks thousands of new comers lately, and consequently speeding up the consumption of sports equipment. Incidentally, Canadians at the present time are reputed to be the largest buyers of sports equipment per capita, in the world.

Inventories, at present, are comparatively low. According to one of the country's leading sport goods jobbers, this is as it should be, and dealers who do not keep their inventories low (consistent, of course, with their local demand) are only storing up financial trouble for themselves.

One of the besetting sins of the retail sports trade has been the wholesale sacrificing of profits, through giving away ridiculous discounts to clubs on purchases of various kinds of sports equipment. Another evil has been the selling by certain wholesalers to individuals direct. A strong trade organization known as the Canadian Bicycle and Sport Goods Association, however, is endeavoring to point out to the trade at large the foolishness of such methods, and already there are signs of improvement in this direction.

INSURANCE

Both Fire and Life Find Losses Growing

THE FINANCIAL POST
Insurance Department
Kenneth R. Wilson, Editor in charge

Insurance companies face the third quarter of 1931 with some trepidation for insurance is notably a business which feels the reflex rather than the early effects of depression.

Current problems facing life insurance companies include the all-important matter of dividend scales to policyholders during 1932 and the rate of interest which will be allowed on the huge sums of money left year by year with the various companies by policyholders. This latter rate has been for the best part on a 5 or 5½ per cent basis for the past few years and with the lower return on investments some scaling down of this figure is seen as inevitable.

Suicide claims, a high lapse ratio and mounting policy loans are also causing an unusual amount of worry while the whole problem of where to find profitable investments for new funds is one of considerable magnitude because in spite of depressed business conditions the business of life insurance has shown very little decline even from the high levels of 1929. The sales volume of 15 leading companies writing ordinary life business, as computed by the Life Insurance Sales Research Bureau of Hartford, for the year to date is only 10 per cent below 1930.

From the policyholders' viewpoint there is little cause for worry for Canadian life insurance companies are among the soundest in the world and every possible precaution has been taken to maintain the boast that no policyholder in a regularly licensed Canadian company has ever lost a dollar of his investment in life insurance.

Fire companies are also facing difficulties due to a condition prevalent for some time now and being a combination of a declining premium income in the face of a continued influx of new companies into the Canadian field. This influx has now virtually ceased and one by one small subsidiaries of large insurance groups are being withdrawn while other small companies who have found the way increasingly difficult in the past few months are having their business reinsured. Losses to date are said to be running about 25 per cent above last year, which together with a somewhat lower premium income indicates an unprofitable year for most companies.

PRINTING-PUBLISHING

Trade is Aided By Various Changes in Tariff

CANADIAN PRINTER AND PUBLISHER
Toronto
H. A. Nicholson, Editor

In common with most other industries, printing and publishing in Canada, generally speaking, has suffered a decline in production volume during the past year. Many commercial printing plants, particularly those in the larger centres, have been running on short time and working five days a week. July and August this year were slacker than usual, but an improvement was noticeable in September. If general business improves the position of the printer and publisher

(Continued on page 15)

Bongard & Company

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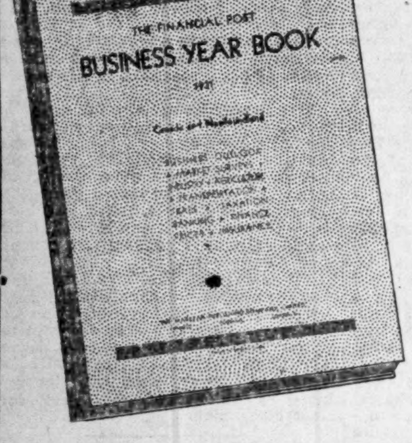
One man asked another for information regarding the taking over of a certain bank. Taking up The Financial Post Year Book he said: "Everything is in this book, that ought to be in it," and it was.



Foreign Trade
Corporation Taxes
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The Business Year Book of 1931 is of particular interest to business men who want facts and not guesses when searching for new markets for their goods, and for accurate and up-to-date economic data about Canada and about Newfoundland. The 1931 Business Year Book is larger than any of its six predecessors due to the enlargement and revision of every chapter and the new features it contains. Over 220 pages. A few copies left. $2.00.

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING SEPTEMBER 28

Range 1931 High	Low	Divd. Rate in $	Yield in % Sept. 26		Sales	Close Sept. 21 (or last)	Week Ending —Sept. 28— High	Low	Close
13¾	3¼	.	...	Abitibi, c.	85	3½	3½	3½	3½
50	12	.	...	Do. pref.	14	12½	12½	12	12½
105	80	7	8.7	Do. pref.	....	80½	..	..	..
8	5½	.	...	Agnew Surp. c.	....	7½	..	..	..
88	83	7	8.4	Do. pref.	....	83	..	..	..
6¼	2½	.	...	Alta. Pac. Gr.	....	2½	..	..	..
30	10½	.	...	Do. pref.	....	16	..	..	..
4	3	.	...	Amal. Electric	....	3	..	..	..
18	10	.	...	Do. pref.	....	10	..	..	..
3½	2½	25c	...	Anglo N. Hold.	....	3½	..	..	..
.50	.25	.	...	Asbestos	....	.25	..	..	..
2	½	.	...	Do. pref.	45	½	½	½	½
9	5	60c	12	Assoc. Brew.	309	5	5	5	5
70½	67	7	9.9	Do. pref.	....	70	..	..	..
10	4	.	...	Assoc. Can.	....	4	..	..	..
69	65	4+50	..	Assoc. Tele.	....	66	..	..	..
37½	12¾	.	...	Atlan. Sugar	50	22½	23	23	23
105	79¾	.	...	Do. pref.	....	91½	..	..	..
175½	158¼	10	6.1	Bk. Can. Nat.	31	164¾	165	164¾	164¾
303	235	12+2	5.9	Bk. Montreal	11	235	235	235	235
326	284	16	5.6	Bk. N. Scotia	42	284	284	284	284
238	213	12+1	6.1	Bk. of Toronto	1	213	213	213	213
24	8½	.	...	Barcelona Tr.	....	15	..	..	..
5¼	3½	.	...	Bathurst Pr.	40	3½	3½	3½	3½
5	2	.	...	Do. (B)	....	2¼	..	..	..
x26	26	.	...	Bawlf Grain	....	..	..	..	..
25	20	.	...	Do. pref.	....	20	..	..	..
12	6	.	...	Beath & Sons	....	6	..	..	..
20	10	2	19.5	Beatty Bros.	....	10½	..	..	..
80	60	6	9.4	Do. pref.	....	63½	..	..	..
8½	3	.	...	Beauharnois	455	3½	3½	3½	3½
93	85	7	8.2	Belding Cort.	....	85	..	..	..
100	90	7	7.8	Do. pref.	....	90	..	..	..
55	10	.	...	Belgo C.P. pf.	....	10	..	..	..
151⅞	121	8	6.5	Bell Telephone	795	125	125	121	125
4½	3	.	...	Biltmore Hats	....	3	..	..	..
65	60	7	10.8	Do. pref.	....	65	..	..	..
x22	14	.	...	Bissell, T. E.	....	..	..	..	..
x97	88	.	...	Do. pref.	....	..	..	..	..
20	12	2	12.5	Blue Ribbon	....	16	..	..	..
39½	30	3.25	9.3	Do. pref.	50	35	35	35	35
22½	14	2	11.4	Brant. Cd. pf.	....	17½	..	..	..
28½	8	25c	...	Brazilian Tr.	68249	11	11⅜	8	10⅛
x2	⅞	.	...	Brew. & Distil.	....	..	..	..	..
16½	8	80c	8.4	Brit. Amer. Oil	6880	9⅞	10	9	9
3½	½	.	...	B.C. Packers	....	1½	..	..	..
22	5	.	...	Do. pref.	....	5⅞	..	..	..
42½	26	2	7.4	B.C. Power	2041	27½	27	26	26½
18	7	.	...	Do. (B)	25	7	8	8	8
2	1	.	...	B.E. Steel	....	1⅛	..	..	..
21	18½	.	...	Do. 1st pref.	....	18½	..	..	..
3½	1⅞	.	...	Do. 2nd pref.	....	2¾	..	..	..
8	4½	.	...	Bruck S. Mills	....	7	..	..	..
26	16⅞	2	9.7	Building Prod.	5	21	20½	20½	20½
44¼	29½	3	9.4	Burt, F. N.	45	31¾	31¾	31¾	31¾
146	137	6	4.4	Calgary Pr.	....	137	..	..	..
7⅞	3½	.	...	Can. Bread	....	4	..	..	..
100	87	7	7.4	Do. pref. (A)	....	95	..	..	..
80	55	7	...	Do. pref. (B)	....	68	..	..	..
18½	8¾	1	10	Canada Bud.	60	10	10	10	10
18⅞	5	.	...	Can. Cement	4627	5	6½	5	6
96½	63	6.50	9.8	Do. pref.	104	65½	66	66	66
b45	17⅞	3	16.2	Canada Dry	11900	21½	21½	17⅞	18
12	10	.	...	Can. Forg. (A)	....	10	..	..	..
x16	5	.	...	Do. (B)	....	..	..	..	..
68	66	3	4.5	Canada Iron	....	66	..	..	..
76	60	6	10	Do. pref.	....	60	..	..	..
650	630	20	...	Canada Life	....	630	..	..	..
16½	10⅞	1.50	12.6	Can. Malting	1300	12	12	11⅞	11⅞
25½	15	80c	4.1	Can. Nor. Pr.	....	19½	..	..	..
107	104	7	6.6	Do. pref.	....	106	..	..	..
6	½	.	...	Can. Paving	....	½	..	..	..
51	10½	.	...	Do. pref.	....	10½	..	..	..
216	190	12	6.3	Can. Perman.	27	190	190	190	190
4½	½	.	...	Can. Pr. & Pa.	35	½	½	½	½
9	3	.	...	Can. Steamsh's	7	3	3	3	3
27	8	.	...	Do. pref.	....	8	..	..	..
20	14½	1.60	10	Can. Vinegar	30	16	16	16	16
70	54½	4	6.5	Can. W. Cable	480	61	61	61	61
30½	20	1.75	8.3	Do. (B)	1045	21	21	20⅞	21
16	9¾	.	...	Can. Bakeries	....	9¾	..	..	..
35	31	4	12.9	Do. pref.	....	31	..	..	..
232	196	12+1	6.6	Can. Bk. Com.	15	196	198	196	196
36½	19	2.50	13.1	Can. Bronze	10	19	19	19	19
110	102	7	6.9	Do. pref.	....	102	..	..	..
13½	8	50c	5.9	Can. Canners	....	8½	..	..	..
92½	81	6	7.4	Do. 1st pref.	....	81	..	..	..
14	8½	80c	8.2	Do. 2nd. pref.	25	9¾	9¾	9¾	9¾
19	4½	1.75	28	Can. Car. & Fy	1415	6¼	6⅝	6¼	6¼
25½	14⅝	1.75	11.7	Do. pref.	2115	14¾	15¼	14⅝	14⅞
14½	6	.	...	Can. Celanese	....	6	..	..	..
73½	59	7	10.8	Do. pref.	15	65	65	65	65
58	30	4	13.3	Can. Convert.	2	30	30	30	30
x50	45	.	...	Can. Cottons	....	..	..	..	..
55	49	6	12.2	Do. pref.	....	49	..	..	..
36½	28½	3	11.5	Can. Dredge	....	26	..	..	..
92	92	7	7.6	Do. pref.	....	92	..	..	..
81⅝	79	6	7.5	Can. Fairb. pf.	....	80	..	..	..
6	5¾	.	...	Can. For. Inv.	....	5¾	..	..	..
80	70	8	11.4	Do. pref.	....	70	..	..	..
300	200	4	2	Can. Gen. Elec.	....	200	..	..	..
63½	59	3.50	5.9	Do. pref.	....	59	..	..	..
80	52	6	9.1	Can. Hyd. E. p.	58	66	66	66	66
5¼	1½	.	...	Can. Ind. Alc.	430	1⅞	1⅞	1⅞	1⅞
3½	1	.	...	Do. (B)	5	1½	1	1	1
5.00	3.95	.	...	Can. Int. I. Tr.	....	3.95	..	..	..
70	64½	5	7.7	Do. pref.	....	65	..	..	..
42	15	1	...	Can. Lt. & Pr.	....	25	..	..	..
18	18	.	...	Can. Locomo.	....	18	..	..	..
25	10	.	...	Do. pref.	....	10	..	..	..
b4⅜	1½	.	...	Can. Marconi	12100	1⅝	1⅞	1½	1⅝
23½	9	1	10	Canadian Oil	55	10	10	10	10
120	95½	8	8.4	Do. pref.	....	95½	..	..	..
45½	16½	1.25	...	Can. Pacific	6822	16½	19	16½	17½
6½	5	.	...	C. Pr. & Pa. In.	....	5	..	..	..
6½	2⅞	.	...	Can. Vickers	....	3	..	..	..
35	16	.	...	Do. pref.	....	20	..	..	..
6	2½	50c	15.4	Can. Wineries	....	3¼	..	..	..
16	6	1	12.1	Can. Wire Box	....	8¼	..	..	..
3	⅝	.	...	Carling Brew.	35	⅞	1½	1½	1½
12	12	.	...	Catelli Mac. A.	....	12	..	..	..
5	5	.	...	Do. (B)	....	5	..	..	..
301	290	12+3	5	Cent. Can. L'n	....	300	..	..	..
5.35	1.50	.	...	Chem. Research	210	2.25	2.25	2.00	2.25
64	57	2	...	City Dairy	....	..	..	..	..
x155	120	7	...	Do. pref.	....	..	..	..	..
20.25	8.15	30c(c)	..	Cities Service	105	8.75	9.00	8.15	9.00
10	3	.	...	Cockshutt Plow	2515	3½	5⅝	3½	4
9	3	.	...	Comm. Alcohol	....	4	..	..	..
9	4	.	...	Conduits	....	4	..	..	..
94	84	7	7.8	Do. pref.	....	90	..	..	..
12⅞	7½	1	12.1	Cons. Bakeries	10	8¼	8¼	8¼	8¼
3	¼	.	...	Cons. Food Pr.	....	⅜	..	..	..
6	3	.	...	Do. (A)	....	3	..	..	..
18⅞	9	80+20c	11.1	Cons. Indust.	115	9½	9	9	9
31	23	2	8.3	Cons. Press	....	23	..	..	..
80	62	7	10	Cons. Sand. pf.	....	70	..	..	..
188¼	64	2.50†	3.84	Cons. Smelters	1774	65½	66	65	65
187	180½	10	5.5	Consumers Gas	37	181½	181½	181½	181½
x35	30	.	...	Cooksville Co.	....	..	..	..	..
x85	85	4	...	Do. pref.	....	..	..	..	..
20½	15	.	...	Corporate Steel	....	15	..	..	..
x90	90	.	...	Corr. P. Box, p	....	..	..	..	..
2⅝	1	.	...	Cosgrave Br.	115	2½	2½	2½	2½
9	5	.	...	Cosmos Imp.	....	7	..	..	..
93	65	7	10.3	Do. pref.	9	68	68	68	68
6½	2	.	...	Crown Dom. Oil	....	3	..	..	..
15	8½	3	...	Crow's N. Coal	....	10½	..	..	..
5	3	.	...	David & Fre. B	....	3	..	..	..
12½	12½	.	...	De Havilland	....	12½	..	..	..
9	9	.	...	Disher Steel	....	9	..	..	..
x18	17	1.50	...	Do. pref.	....	..	..	..	..
12⅞	6⅞	1	14.3	Distill-Seagram	930	7	7	7	7
223	204	12+1	6.4	Dominion Bk.	3	204	204	204	204
55¼	27	3	11.1	Dom. Bridge	6477	27	27⅛	27	27
40	40	.	...	Dom. Coal	....	40	..	..	..
50	15	.	...	Dom. Engineer.	2090	18	18	18	18
x14	10	.	...	Dom. Found.	....	..	..	..	..
126	82	7	8.5	Dom. Glass	215	82	82	82	82
125	119	7	5.8	Do. pref.	....	120	..	..	..
20	20	.	...	Dom. Iron, pf.	....	20	..	..	..
11½	3½	40c	10	Dom. Motors	....	4	..	..	..
14	10	.	...	Dom. Pr. Stubs.	15	13	13	13	13
24	24	.	...	Dom. Steel, pf.	....	24	..	..	..
8½	2	.	...	Dom. St. & C B	10	2	2	2	2
24½	13½	1.20	6.5	Dom. Stores	1758	19½	19	16	17½
14	5	.	...	Dom. Tar & Ch.	20	6¼	5¾	5¾	5¾
93	79½	6.50	8.2	Do. pref.	....	79½	..	..	..
83	63	5	7.9	Dom. Textile	389	63¼	63¼	63¼	63¼
123	120	7	5.8	Do. pref.	....	120	..	..	..
12	10	.	...	Donnacona	....	10	..	..	..
7	2½	.	...	Dryden Paper	50	3	3	3	3
7½	3	.	...	Duff. Paving	....	6	..	..	..
80	68	7	10.3	Do. pref.	....	68	..	..	..
25½	16	1	5	East. Dairies	55	20	20	20	20
20	16	1+1	...	East. Steel	10	16	16	16	16
100	97	7	7.1	Do. pref.	5	97	98	98	98
16	16	.	...	East Koot. Pr.	....	16	..	..	..
97	94½	7	7.3	Do. pref.	....	96	..	..	..
x34	28½	2	...	East. Theatres	....	..	..	..	..
x85	80	7	...	Do. pref.	....	..	..	..	..
3¾	3¾	.	...	Easy Washer	....	3¾	..	..	..
37	34½	1.75	4.7	Economic Inv.	....	37	..	..	..
15	15	.	...	Edmonton D'y	....	15	..	..	..
80	78⅜	6.50	8.3	Do. pref.	....	78⅜	..	..	..
8	5	.	...	Enam. & Heat.	....	5	..	..	..
40	28½	3	10.5	Eng. Electric	1	28½	28½	28½	28½
16	5	.	...	Do. (B)	....	5	..	..	..
39½	16	2	11.1	Fam. Players	....	18	..	..	..
33½	18	2	11.1	Do. Vot. Tr.	....	18	..	..	..
18	9½	1	9.7	Fanny Farmer	5	11	10¼	10¼	10¼
34	28	2.40	7.3	Do. pref.	....	32½	..	..	..
x25	.10	.	...	Federal Distil.	....	..	..	..	..
x83½	75	.	...	Firstbrook Box	....	..	..	..	..
29½	13½	1.20	8.4	Ford Motors A	2200	15½	15½	13½	13⅝
15	5	.	...	For. Pr. Secs.	....	5	..	..	..
16½	8½	1	11.1	Foundation Co.	....	9	..	..	..
3	½	.	...	Fraser Cos.	785	1½	1½	1½	1½
25	25	.	...	Fron. Brew. pf.	....	25	..	..	..
8	5	.	...	Frost Steel	....	7	..	..	..
96½	85	7	8.2	Do. pref.	5	88	85	85	85
7½	1⅜	.	...	Gen. St. Wares	445	1⅜	1⅞	1½	1½
119	70	5+2.50	8.8	Goodyear Tire	10	85	86	85	85
107⅞	94½	7	7	Do. pref.	6	99½	100	99½	100
93½	93½	7	7.5	Gould Pumps, p	....	93½	..	..	..
¾	½	.	...	Gt. W. Saddlery	....	½	..	..	..
8	6	.	...	Do. pref.	....	8	..	..	..
31	20	2	9.5	Gurd, Chas.	235	21	21	21	21
12⅞	5	40c	8	Gypsum, Lime	460	5	5½	5	5
20½	6⅞	.	...	Ham. Bridge	905	7	7	7	7
80	63	6.50	10	Do. pref.	....	65	..	..	..
19	13	2	15.4	Ham. Cotton, p	....	13	..	..	..
4½	3	.	...	Ham. U. Theat	....	3	..	..	..
63	55	7	11.7	Do. pref.	....	60	..	..	..
12	4	.	...	Hayes Wheel	15	4	4	4	4
x95	80	.	...	Do. pref.	....	..	..	..	..
x50	50	.	...	Hillcrest Coll.	....	..	..	..	..
x91	91	.	...	Do. pref.	....	..	..	..	..
4	3½	.	...	Hinde & Dauch	....	3½	..	..	..
x120	120	.	...	Holt, Renfrew	....	..	..	..	..
x96½	90	7	...	Do. pref.	....	..	..	..	..
7	3	.	...	Honey Dew	....	3	..	..	..
59	50	7	13.5	Do. pref.	15	51⅞	52	52	52
6	3	.	...	H. Smith Pap.	10	3	3	3	3
45½	30	.	...	Do. pref.	....	32	..	..	..
21½	15	2	9.5	Humberstone S.	....	21	..	..	..
23½	17	1.40+50	10.5	Hunt (A)	10	18	18	18	18
23½	18½	1.40+50	10.2	Do. (B)	....	18½	..	..	..
150	143	8	5.5	Huron & E. M.	....	145	..	..	..
29½	28	.	...	Do. 20% pd.	....	28	..	..	..
29⅝	13⅞	1.20	8.6	Hydro Electric	....	14	..	..	..
225	201	12+1	6.4	Imperial Bank	....	203	..	..	..
18⅞	8½	50+50c	9.5	Imperial Oil	30797	11	11⅛	10	10⅝
10½	8⅝	35+20c	6.2	Imperial Tob.	185	8⅞	8⅞	8⅞	8⅞
80	80	8	...	Intercol. Coal p	....	80	..	..	..
29	22	2a	...	Int. Hyd. E. (A)	....	22	..	..	..
103	92	7	7.5	Inter. Mill. pf.	85	93	93	93	93
80	80	6	7.5	Do. Series (A)	....	80	..	..	..
20½	9	40c	4	Inter. Nickel	42306	9½	10⅛	9	10
10	5	.	...	Inter. Paints	....	5	..	..	..
b10½	2	.	...	Int. Pa. & P A	1300	3	3	2	2
b6	½	.	...	Do. (B)	1800	2⅛	1⅛	½	1
b4½	1⅛	.	...	Do. (C)	2600	1½	1½	1⅛	1⅛
b43½	13	.	...	Do. pref.	1000	18⅜	13⅞	13	13½
15½	8½	1	10.5	Inter. Pete.	13995	10	10⅛	8⅞	9½
8	5	.	...	Inter. Power	....	5	..	..	..
73	56½	7	12.4	Do. pref.	....	56½	..	..	..
45	24½	3.50	14.3	Int. Util. (A)	206	27	25	24½	24½
11	3½	.	...	Do. (B)	375	4½	5	4	5
40	40	1	2.5	Jam. Pub. Ser.	....	40	..	..	..
109	99¾	7	7	Do. pref.	....	99¾	..	..	..
5½	2½	.	...	Kelvinator	....	5	..	..	..
90½	73½	7	7.8	Do. pref.	....	90	..	..	..
x40	40	.	...	King Ed. Hotel	....	..	..	..	..
24	5	.	...	Lake of Woods	180	5	7	5	5½
101	82	7	8.5	Do. pref.	....	82	..	..	..
140	140	8	5.7	Landed Bank	....	140	..	..	..
46	33	3	7.9	Laura Secord	....	38	..	..	..
16	8½	1	11.1	Lindsay, C. W.	....	8½	..	..	..
72½	65	6.50	9.7	Do. pref.	....	67	..	..	..
14½	11	80c	7.1	Loblaw (A)	175	12½	11½	11½	11½
14½	10	80c	7.6	Do. (B)	62	10½	10½	10½	10½
x2½	2½	.	...	Loew's, London	....	..	..	..	..
25	10	.	...	MacKin. Steel	....	20	..	..	..
95	90	7	7.7	Do. pref.	....	91	..	..	..
x36	20	.	...	Manitoba Pr.	....	..	..	..	..
8	6	.	...	Maple Leaf	....	6	..	..	..
40	10	.	...	Do. pref.	40	10	15	15	15
32	30	.	...	Marcus Loew's	....	30	..	..	..
71	70	7	9.8	Do. pref.	....	70	..	..	..
10½	3	.	...	Massey-Harris	1650	3½	3½	3	3
22½	9½	60c	6.1	McColl Fron.	2634	9⅞	10	9⅞	9⅞
80	69½	6	7.9	Do. pref.	....	76	..	..	..
45	35	.	...	Mexican L. & P.	....	35	..	..	..
x25	25	.	...	Mercury Mills	....	..	..	..	..
x89	58½	.	...	Do. pref.	....	..	..	..	..
40½	40	1	2.5	Mitchell, J. S.	....	40	..	..	..
105	104	7	6.7	Do. pref.	15	105	105	105	105
20	8	1	12.5	Mitchell, Robt.	105	8	8	8	8
1	1	.	...	Monarch Knit.	....	1	..	..	..
38	38	.	...	Do.	....	38	..	..	..
95½	83½	6	6.5	Montreal Cot.	....	92	..	..	..
102	98	7	7	Do. pref.	20	100	100	100	100
3½	2	.	...	Montreal Exhib.	....	2¾	..	..	..
20	14	.	...	Mont. Is. Pr.	....	14	..	..	..
68½	38	1.50	3.9	Mont. L. & Pr.	13513	38	38½	38	38
49½	48	3+25	6.8	Montreal Loan	....	48	..	..	..
60	48	3.20	6.3	Montreal Tele.	45	51	51	51	51
177	155	10	6.4	Mont. Trams.	....	155	..	..	..
17⅞	11½	1	8.5	Moore Corp., c.	50	12	11⅞	11⅞	11⅞
108½	98	7	7	Do. (A)	....	100	..	..	..
126	103	7	6.8	Do. (B)	....	103	..	..	..
x10	10	.	...	Mt. Royal Hot.	....	..	..	..	..
x49	49	1	...	Do. pref.	....	..	..	..	..
3½	2	30c	...	Muirheads	....	2	..	..	..
10	6	75c	7.9	Do. pref.	....	9½	..	..	..
35½	23½	1.60	6.7	Nat. Brew.	1040	24	24	24	24
35	27	1.75	5.6	Do. pref.	....	31	..	..	..
x10	3	.	...	Nat. Brick	....	..	..	..	..
19	5	.	...	Do. pref.	....	5	..	..	..
.50	.25	.	...	Nat. Distiller.	....	.40	..	..	..
42	11½	2	16	Nat. Steel Car	517	13	13	12½	12½
360	250	14	5.6	National Trust	....	252	..	..	..
13	10⅛	1.50	14.1	Niag. W. Weav.	....	10⅛	..	..	..
36	32	3	9.4	Do. pref.	....	32	..	..	..
6.00	2.00	.	...	North Star Oil	....	2.50	..	..	..
4.95	4.50	35c	7.4	Do. pref.	....	4.70	..	..	..
x25	22½	.	...	N.S. Steel, pf.	....	..	..	..	..
285	125	8	5.9	Ogilvie Flour	....	135	..	..	..
130	116½	7	5.9	Do. pref.	....	118	..	..	..
21	9½	60c	6.5	Ont. Eq. 10% p	358	9¼	9½	9¼	9¼
120	113	6	5.1	Ontario Loan	....	117	..	..	..
7	5	.	...	Ont. Silknit	....	7	..	..	..
16	13	80c	6.1	Ont. Steel	....	13	..	..	..
x105	105	7	...	Do. pref.	....	..	..	..	..
1½	¾	.	...	Orange Crush	....	¾	..	..	..
60	50	7	13.7	Do. (A)	....	51	..	..	..
5½	2½	.	...	Do. (B)	....	3	..	..	..
110	90	6	5.7	Ott. L. H. & Pr	20	105	105	105	105
105½	102	6.50	6.3	Do. pref.	....	103½	..	..	..
25	25	.	...	Ott. Traction	....	25	..	..	..
92⅞	68	5	7.2	Page Hersey	435	69½	69⅞	69½	69⅞
49	21½	2.50	11.6	Paramount	....	21½	..	..	..
35	30	.	...	Paton Mfg.	....	30	..	..	..
94	82	7	7.4	Do. pref.	....	94	..	..	..
¾	¼	.	...	Pelissiers	....	¼	..	..	..
80	25	.	...	Do. pref.	....	80	..	..	..
73	31	4	12.1	Penmans	2	31	33	33	33
101	93	6	6.4	Do. pref.	....	93	..	..	..
.75	.50	.	...	Perfec. Glass	....	.50	..	..	..
29	18	2	8.9	Photo Eng.	....	22½	..	..	..
40	10	.	...	Port Alfred, pf.	....	10	..	..	..
70	64	7	10	Porto Rico pf.	....	70	..	..	..
b39½	12	.	...	Postal Tele.	....	..	..	..	..
63½	35⅞	2	5.5	Power Corp.	517	36½	36½	36½	36½
102	94	6	6.3	Do. pref.	....	94½	..	..	..
4½	8	.	...	Prairie C. Oil	....	3	..	..	..
16	8½	50c	4.8	Pressed Metals	7	10	10½	10	10½
42½	25	1	4	Price Bros.	5	25	25	25	25
99	70	6.50	9.3	Do. pref.	10	70	70	70	70
49	27	2.50	8.6	Quebec Power	136	29	29	29	29
110	105	7	6.7	Real Estate In.	....	105	..	..	..
3	1	.	...	Regent Knit.	....	1½	..	..	..
10	5½	.	...	Reliance Grain	5	6½	8	8	8
16	9	2	18.2	River. S. Mills	....	11	..	..	..
19½	10	1.50	10.7	Robinson Cone	....	14	..	..	..
16½	9	1.20	13.3	Rogers Majes.	....	9	..	..	..
291	231	12+2	6.1	Royal Bank	11	231	231	231	231
84	75	7	9.3	Ruddy, E. L. p.	....	75	..	..	..
77¾	60¾	4	6.6	Russell Motor	....	60¾	..	..	..
95	76½	7	9.1	Do. pref.	....	76½	..	..	..
7	7	.	...	Sarnia Br. (A)	....	7	..	..	..
x12	5	.	...	Do. (B)	....	..	..	..	..
36½	7	.	...	Serv. Stn. Eq.	50	7	7	7	7
90½	50	6	12	Do. pref.	....	50	..	..	..
59½	32½	2	6.1	Shawinigan	1198	33	33	32½	33
30	20	1.60	8	Sher.-Wms.	....	20	..	..	..
121	112	7	6.2	Do. pref.	....	112	..	..	..
22	14	2.50	16.1	Simon & Son	....	15½	..	..	..
92	88½	7	7.7	Do. pref.	....	91	..	..	..
92½	71½	6.50	8.9	Simpsons Ltd.	5	73	73	73	73
44½	36	2	5.5	Do. (A)	....	36	..	..	..
85½	24½	.	...	Do. (B)	....	29	..	..	..
108	103	6	5.8	Simpson, Robt.	52	104	104½	104	104
4.00	.50	.	...	St. Law. Corp.	210	.50	.60	.60	.60
12	2½	.	...	Do. (A)	65	4	4	4	4
20	16	.	...	St. Law. Flour	....	16	..	..	..
85	82	7	8.2	Do. pref.	5	85	85	85	85
30½	10	.	...	St. Law. Pap. p	35	10½	10½	10½	10½
30	4	.	...	St. Maur. V. p	....	4	..	..	..
32	22½	1	4	So. Can. Pr.	....	25	..	..	..
106½	104	6	5.7	Do. pref.	1	104	106	106	106
16½	4	.	...	St. Pav. & Mat.	10	4	4	4	4
80	55	7	11.7	Do. pref.	....	60	..	..	..
1	1	.	...	Stanfords	....	1	..	..	..
15	5	1	...	Stand. Chem.	....	5	..	..	..
9⅞	3½	.	...	Stand. Steel	....	4	..	..	..
35	30	3	10	Do. pref.	....	30	..	..	..
42½	21	1.75	7.9	Steel of Can.	3030	21½	22	21½	22
37	28½	1.75	5.9	Do. pref.	1320	29½	29½	29	29
4½	2½	.	...	Sterling Coal	....	2⅞	..	..	..
32½	12½	1	6.2	Sup. Pet. Ord.	....	16	..	..	..
105	94	7	7.2	Do. pref.	5	96½	97	97	97
31	14	1	5.9	Do. com.	....	17	..	..	..
49	41	.	...	Tamblyn	....	49	..	..	..
106	101	7	6.6	Do. pref.	....	105½	..	..	..
30	20	3.50	16.7	Thayers, pref.	....	21	..	..	..
13	6½	.	...	Tip Top Tailors	....	8½	..	..	..
90	77	7	8.4	Do. pref.	....	83	..	..	..
22	10	.	...	Tooke Bros.	....	10	..	..	..
67	48½	.	...	Do. pref.	....	48½	..	..	..
15	9½	.	...	Tor. Elevators	....	13	..	..	..
235	210	12	5.5	Tor. Gen. Tr.	....	215	..	..	..
115	108	6	5.4	Toronto Mtge.	38	110	110	110	110
3	1	.	...	Traymore	....	1	..	..	..
12½	9	1.40	15.5	Do. pref.	10	9	9	9	9
130	120	7	5.5	Tuckett Tob. p	....	128	..	..	..
17½	6½	.	...	Twin City	....	8	..	..	..
b62	35½	7	...	Do. pref.	....	..	..	..	..
45	28	.	...	Do. (notes)	....	48	..	..	..
16	9⅞	1	10.1	Union N. Gas.	....	9⅞	..	..	..
101½	98	7+1	8	Union Trust	....	100	..	..	..
8	3	.	...	United Fuel	....	3	..	..	..
65	24	4	11.4	Do. pref.	....	35	..	..	..
62½	49½	2	4	United Secs.	....	50	..	..	..
24½	8½	.	...	Viau Biscuit	....	9½	..	..	..
85	70	7	10	Do. pref.	....	70	..	..	..
30	10	.	...	Wapasso Cot.	10	10	10	10	10
8⅞	3½	50c	12.5	Walker-Good.	12235	4	4	3½	4
7¾	2	.	...	Waterloo Mfg.	....	..	..	..	..
45	30	1	2.5	Weston Bisc.	5	40	40	40	40
90	79	7	8.9	Do. pref.	....	79	..	..	..
17½	7	.	...	West. Can. Fl.	10	7	7	7	7
96	75	6.50	8.7	Do. pref.	....	75	..	..	..
17	10	.	...	West. Grocers	....	10	..	..	..
55	40	7	17.5	Do. pref.	....	40	..	..	..
91	85	6.50	7.1	W. Steel Pr. p.	....	91	..	..	..
x9	9	.	...	Whittall Can	....	..	..	..	..
13	10	.	...	Windsor Hotel	....	12	..	..	..
73	71	6.50	9.1	Do. pref.	....	71	..	..	..
21½	4	.	...	Winnipeg Elec.	483	5⅛	6½	5⅛	5½
81½	49	7	14.3	Do. pref.	....	49	..	..	..
‡30	30	.	...	Woods Mfg.	....	..	..	..	..
40	36	.	...	Do. pref.	....	36	..	..	..
80	80	7	8.7	Wood Alex, J.p.	....	80	..	..	..
x2½	1½	.	...	Zimmerknit	....	..	..	..	..
7	7	.	...	Do. pref.	....	7	..	..	..

x Quotations for 1930. No sales recorded in 1931 to date.
a Or payable in stock.
b New York Quotations.
‡ Quotations for 1929.
c 2½c monthly plus stock dividend of .005% monthly.
† Plus stock bonus.

Winnipeg Stock Exchange

September 21

	Bid	Ask
Beaver Fire	..	115
Beaver Lumber. c.	5	...
Do., pref.	..	100
Can. Amer. Tr. shs.	..	4½
Can. Fire Ins.	...	85
Can. Indemnity	120	...
Crescent Creamery	90	...
Gt. West Life	..	450
Home Investment	..	50
Monarch Life	..	30
Nor. Can. Mtge. pf.	15	...
Nor. Can. Mtge. c.	½	...
Un. Gr. Growers	10	..
West Breweries	2	2½

Unlisted Canadian Securities

(Furnished by A. J. Pattison Jr. & Co. Limited

September 29, 1931

Industrial Stocks:	Bid	Asked
Acadia Sugar c.	....	.40
Acadia Sugar pfd.	30.00	....
Allens Coll. pfd.	30.00	....
Allens Lond. pfd.	27.00	....
Andian Nat. Corp.	22.00	27.50
Brand.-Hend. c.	....	20.00
Brand.-Hend. pfd.	75.00	85.00
Brew. Corp. of Can. c.	.25	....
Brew. Corp. of Can. pfd.	3.00	4.50
B.C. Pulp & Pap. com.	1.75	....
B.C. Pulp & Pap. 7% pfd.	....	40.00
Canada Biscuit pf.	....	7.00
Can. Crushed Stone pfd.	....	75.00
Can. Dom. Sug. c.	16.50	18.50
Can. Mach. c.	5.25	8.00
Can. Mach. 7% pf.	22.00	30.00
Can. Packers c.	13.75	15.75
Can. Pack. 7% pf.	90.00	94.00
Can. Starch pfd.	70.00	....
Can. Tea pfd.	....	75.00
Can. Wire & Cable pfd. w.w.	95.00	100.00
Can. Indus. c. 'A'	100.00	110.00
Can. Indus. 'B'	....	110.00
Can. Indus. 7% pfd.	115.00	122.00
Can. Investors c.	....	10.00
Can. Westing.	52.00	58.00
Chase, A. W. 8% pfd.	38.00	43.00
Cons. Oka Sand & Gravel pfd.	....	75.00
Copeland Flour 6% pfd.	....	15.00
Dom. Foundries & Steel pfd.	50.00	56.00
Dom. Foundries & Steel c.	4.00	7.00
Dom. Mfrs. pfd.	70.00	....
Dunlop Tire 7% pfd.	....	91.00
Eastern Car 6% pfd.	45.00	58.00
Federal Grain pf.	15.00	....
Freiman, A. J., pf.	60.00	....
Goderich Elev. & Transit	13.50	15.50
Greening Wire 7% pfd.	85.00	95.00
Guard. Realty pfd.	40.00	45.00
Harding Carp. pf.	....	59.00
Inter-City Bak. c.	45.00	50.00
Internat. Proprietaries "A"	....	30.00
Loew's London c.	.50	1.25
Loew's London 7% pfd.	1.75	3.75
Maritime Tel. & Tel. c.	13.50	15.50
Morrow Screw Nut 7% pfd.	94.00	....
Mt. Royal Hotel Scrip	1.00	2.00
Mount Royal Hotel com.	1.40	2.50
Mount Royal Hotel 6% pfd.	18.00	23.00
Nat. Grocers c.	.25	1.25
Nat. Grocers 2nd 7% pfd.	48.50	....
Para. Oshawa c.	9.50	....
Para. Oshawa pf.	30.00	....
Prov. Paper pfd.	....	65.00
Standard Clay Products c.	26.00	....
Standard Fuel pfd. bonus	68.00	73.00
Supertest Petroleum "B" pfd.	17.00	....
Toronto Brick pf.	60.00	....
Toronto Carp. c.	110.00	....
Toronto Carpet 8% pfd.	95.00	....
Toronto Elevator 7% pfd.	....	75.00
Toronto Hous'g c.	25.00	....
Un. Amuse. "A"	15.00	25.00
Willards Chocolates 8% pfd.	....	40.00

Insurance Stocks:	Bid	Asked
Br. Amer. Assce.	36.00	....
Can. Life Assce.	595.00	645.00
Canada Nat'l Fire	23.75	29.50
Can. Fire Ins.	75.00	93.00
Cap. Life 20% pd.	....	20.00
Commercial Life 10% pd.	....	20.00
Confederation Life 20% pd.	205.00	250.00
Continental Life 20% pd.	70.00	90.00
Crown Life	....	266.00
Dominion Fire	92.00	130.00
Dom. of Canada General Ins.	200.00	235.00
Dom. Life 50% pd.	250.00	375.00
Excelsior Life 30% pd.	96.00	125.00
Fed. Fire 25% pd.	29.00	42.00
Fidelity Ins. of Canada	....	100.00
Gt. West Life	460.00	500.00
Guar. Co. of N. A.	240.00	....
Halifax Fire	13.00	17.00
Imperial Life	400.00	445.00
Mfrs. Life	310.00	350.00
Monarch Life	29.00	32.00
Nat. Life 25% pd.	125.00	140.00
Saskatchewan Life 10% pd.	9.00	18.50
Sovereign Life	27.00	30.00
Sun Life Assur.	650.00	800.00
Western Assur. c.	36.00	45.00
West. Life 20% pd.	7.50	....
Trust Loan & Bank Stocks:		
Br. Mtg. & Trust	175.00	....
Can. Gen. Invest. Trust 1st	24.00	30.00
2nd Can. Gen. Investments	4.00	7.00
Chartered Trust	95.00	110.00
Deb. & Sec. c.	....	75.00
Deb. & Sec. pfd.	58.00	....
Eastern Trust	155.00	....
Guelph & Ont. Inv. par $50	....	64.00
Lambton Loan & Savings	75.00	....
London & Western Trust	....	175.00
Midland Loan & Savings	11.00	....
Mtge. Disc. pfd.	3.00	5.00
Mutual Fin. pfd.	5.25	....
Mutual Fin. com.	5.25	....
Sec. Loan & Sav.	110.00	....
Sherbrooke Trust	112.00	....
Sterling Trust	84.00	....
Traders Fin. pfd.	....	80.00
Traders Fin. c.	....	15.00
Trusts & Guar.	75.00	80.00
Victoria Trust & Savings	170.00	185.00
Waterloo Trust & Savings	125.00	135.00
Power Issues:		
B.C. Elect. Pwr. & Gas pfd.	101.00	105.00
Calgary Pwr. pfd.	....	92.00
Can. Light & Pwr. com.	....	27.00
Can. Northern Power pfd.	....	107.00
Can. West. Nat. Gas LH&P pfd.	70.00	80.00
Gt. Lakes Pwr. pf.	....	90.50
N. B. Tel. c.	13.50	15.00
N. S. L & P c.	57.00	69.00
N. S. L & P pf.	88.00	95.00
Ottawa LH&P 6½% pfd.	102.50	....
Pwr. Corp. 6% pfd.	....	98.00

Recent London Quotations:

Brewer Distillers	3s.
Can. & For. Sec.	7s. 6d.
Can. West. Lumber	1s. 6d.
Hudson's Bay	19s.
Do., 5% pfd.	55s.
Internat. Holdings	$1 5/16
Nfld. Pr. & Pap. deb. stk.	97½
Trust & Loan of Can. (15s. pd.)	3s. 9d.

(All quotations subject to confirmation and change).

Listed Bond Quotations

Week Ending September 28

Montreal	Int. Rate	Due	Yield	Latest Bid	High	Low	Range 1931 High	Low
Abitibi, 1st mtge.	5	1953	...	...	...	...	78	49
Asbestos	5	1942	...	...	...	...	100	...
Asbestos, 1st mtge.	6	1941	...	...	...	...	20	15
Do., gen. mtge.	6	1956	...	...	...	...	9	...
Can. Cons. Rub.	6	1946	...	...	...	...	x102½	102½
Can. Cottons	5	1940	6.88	...	...	...	91	88
Can. Forgings	6	1942	6.00	...	...	...	100	...
Can. Locomotive	6	1951	...	...	...	...	x96	...
Can. Pr. (La. Ser.)	5½	1958	...	...	...	...	28½	5
Do. (Way Ser.)	5½	1958	...	...	...	...	28½	5
Can. S. S. deb.	5	1943	...	...	...	...	x98½	94
Cedars Rapids	5	1953	4.66	...	...	...	105	101
Dom. Canners	6	1940	...	...	...	...	x103	...
Dom. Coal	5	1940	5.29	...	...	...	98½	98
McNish	6	1948	...	2.25	...	...	3.25	2.00
Mex. L. & Pr.	5	1940	10.05	...	...	...	78½	70½
Mont. L. H. & Pr.	4½	1932	...	100½	...	...	x100	98¾
Mont. Tr. 1st mtge.	5	1941	4.84	...	...	...	101½	99½
Mont. Tr. "A"	5	1955	5.70	...	...	...	95½	90½
Mont. Tr. G. & R. "B"	5	1955	5.51	...	...	...	95½	91½
Do. "C"	4½	1955	5.64	...	...	...	85	84
Do. "D"	5	1955	5.55	...	...	...	95½	91½
N. S. Steel	5	1959	9.28	...	...	...	92⅝	58
Ogilvie Flour "A"	6	1932	5.35	...	...	...	100¾	100
Do. "B"	6	1932	...	...	...	...	x108	101
Do. "C"	6	1932	5.78	...	...	...	100½	...
Ont. Steel	6	1943	...	...	...	...	...	...
Porto R. Pr.	5	1936	7.95	88	...	...	93	88
Steel of Can.	6	1940	5.08	107	...	...	107½	106½
Wayagamack	6	1951	...	...	...	...	75	45
West. K. Pr.	6	1940	5.15	...	...	...	106	...
Winn. Elec.	5	1935	5.12	...	...	...	99½	98½
Toronto								
Canada Bread	6	1941	6.00	...	...	...	101½	100
Steel of Can.	6	1940	5.12	...	...	...	106½	...
Dominion Govt. Bonds (Montreal)								
War Loan	5	1931	....	100.00	....	....	101.70	99.95
Do.	5	1937	3.78	104.50	103.75	....	108.15	103.75
Victory Loan	5½	1933	4.96	.....	101.50	101.00	105.25	101.00
Do.	5½	1934	5.10	101.00	101.00	100.25	105.30	100.25
Do.	5½	1937	4.43	105.00	105.50	104.50	112.40	104.50
Do., refund	4½	1940	4.85	95.00	98.25	96.60	102.30	96.60
Do., refund	5	1943	5.00	99.50	100.50	99.00	106.70	99.00
Do., refund	4½	1944	4.75	94.50	.....	.....	102.35	98.45
Do., refund	4½	1946	4.73	94.00	97.50	.....	102.45	97.50
Do., renewal	5½	1932	4.28	100.00	100.50	.....	103.00	101.50
Conversion Loan	4½	1956	4.77	.....	99.75	97.50	102.10	97.50
Do.	4½	1957	4.76	.....	96.00	94.75	103.00	94.75
Do.	4½	1958	4.82	.....	98.50	95.35	104.65	95.35
Do.	4½	1959	4.87	97.00	99.00	97.00	104.75	97.00

x—Quotations for 1930. None recorded in 1931 to date.

Active Provincial & Municipal Bonds

Quotations furnished by A. E. Ames & Co., Limited, Canada Permanent Bldg., Toronto, Ont.

Provinces	Rate	Actual Maturity	Next. Int Date	Approx. Price	Approx. Yield
Alberta	4½	1 Oct 1958	1 Apr.	86.65	5.45%
Alberta	5	1 July 1943	1 Jan.	96.20	5.45%
Alberta	6	1 Apr. 1936	1 Apr.	101.57	5.60%
British Columbia	4½	1 Oct. 1953	1 Apr.	93.37	5.00%
British Columbia	5	15 Jan. 1948	15 Jan.	100.00	5.00%
British Columbia	6	15 Aug. 1941	15 Feb.	105.38	5.30%
Manitoba	4	1 July 1947	1 Jan.	88.80	5.05%
Manitoba	5	2 June 1959	2 Dec.	99.25	5.05%
Manitoba	5	15 June 1943	15 Dec.	99.57	5.05%
New Brunswick	4½	1 June 1948	1 Dec.	94.43	5.00%
New Brunswick	4¾	15 June 1936	15 Dec.	99.00	5.00%
New Brunswick	6	1 Jan. 1936	1 Jan.	103.59	5.00%
Nova Scotia	4½	15 Nov. 1948	15 Nov.	94.32	5.00%
Nova Scotia	5	1 May 1943	1 Nov.	100.00	5.00%
Nova Scotia	6	1 Nov. 1936	1 Nov.	104.38	5.00%
Ontario	4½	1 Sept. 1944	1 Mar.	95.73	4.95%
Ontario	5	15 Oct. 1948	15 Oct.	100.57	4.95%
Ontario	6	2 May 1936	2 Nov	104.00	5.00%
P.E.I.	4	1 Apr. 1939	1 Apr.	93.22	5.10%
P.E.I.	4½	1 Oct. 1944	1 Apr.	94.35	5.10%
Quebec	4¼	1 May 1961	1 Nov.	88.50	5.00%
Saskatchewan	4½	1 Oct. 1944	1 Apr.	90.80	5.50%
Saskatchewan	5	1 Oct. 1950	1 Apr.	93.60	5.55%
Saskatchewan	6	1 Feb. 1936	1 Feb.	101.00	5.75%
Cities					
Montreal	5	1 Sept. 1963	1 Mar.	100.00	5.00%
Toronto	4½	1 Sept. 1954	1 Mar.	93.37	5.00%
Vancouver	4	1 Aug. 1946	1 Feb.	87.53	5.20%
Winnipeg	5	1 Mar. 1944	1 Mar.	96.00	5.44%
Edmonton	5½	1 May 1945	1 Apr	99.06	5.60%
Calgary	5	1 Jan. 1943	1 Jan.	95.12	5.60%
Halifax	6	1 July 1951	1 Jan.	110.55	5.15%
Saint John	5	15 Dec. 1950	15 Dec.	98.20	5.15%
Regina	4½	1 July 1950	1 Jan.	88.48	5.50%
Victoria	5	21 July 1945	21 Jan.	98.50	5.15%
Quebec	5	1 June 1948	1 Dec.	100.00	5.00%

Active Current Bond Prices

September 28, 1931

	Bid	Asked	Yield
Dominion of Canada 5½/33	101.	103.	3.85
Dominion of Canada 5½/34	101.	103.	4.40
Dominion of Canada 5/43	99.	102.	4.80
Dominion of Canada 4½/46	96.	98.	4.65
Dominion of Canada 4½/56	96.	98	4⅝
Dominion of Canada 4½/58	97.	99.	4.57
C. N. R. (Dom. of Can. Guar.) 5/54	100.	102.	4.35
C.N.R. (Dom. of Can. Guar.) 4½/51	96.	98.50	4⅝
C. N. R. (Dom. of Can. Guar.) 4½/55	100.	101.	4.65
C. N. R. (Dom. of Can. Guar.) 4½/56	96.	98.	4.60
C. N. R. (Dom. of Can. Guar.) 5/69	100	102.	4⅞
Province of Ontario 4½/44	96.	98.	4.70
Province of Ontario 5/48	100.	102.	4.85
Province of Ontario (Hydro) 4½/70	100.	102.	4⅝
Province of Quebec 4½/56	97.	99.	4.55
Abitibi Power & Paper 5/53	45.	50.	10.00
Argentine Gov't. (Ser. B) 6/58	59.	61.	...
Beauharnois Power 6/59	65.	70.	9.00
Bell Telephone Co. of Canada 1st, 5/57	104.	106.	4.90
Brazil, U. S. of, Ext. S. F. 6½/57	19.	22.50	...
British Columbia Power 5/60	90.	97.	5.20
British Columbia Power 5½/60	100.75	102.75	5.32
British Columbia Telephone 5/60	98.	102.	4.85
Calgary Power 5/60	85.	95.	5.40
Canada Brewing 5/42	100.	102.	4.40
Canada Cement 1st Mtge. S. F. 5½/47	85.	95.	6.00
Canada Gypsum Lime & Alabastine 5½/48	75.	82.	7.85
Canada Northern Power Corp. 5/53	87.	93.	5.55
Canada Steamship Lines 1st & Gen. 6/41	30.	40.	...
C. P. R. Collateral Trust 5/54	95.	100.	5.00
C. P. R. Secured 4½/44 Notes	92.	95.	4.97
Chile Republic Ext. S. F. 6/60	15.	16.	...
Colombia Republic Ext. S. F. 6/61	27.	30.	...
Davies, Wm. 6/42	90.	95.	6.64
Dominion Canners 6/40	100.	103.	5.23
Dominion Square Corporation 6/48	65.	75.	8⅝
Dominion Tar & Chemical 6/49	80.	90.	6.95
Dominion Textile 6/49	106.	108.	5.30
Duke Price Power 1st, 6/66	95.	100.	6.00
Eastern Dairies, Ltd., Conv. 6/49	97.	101.	5.90
Eaton, T. Realty, 5/49	90.	94.	5.53
Famous Players 6/48	83.	88.	7.20
Federal Grain 6/49	60.	70.	9.10
Foreign Power Securities Corp. 6/49	77.	85.	7.55
Fraser Companies 6/50	30.	40.	...
Gatineau Power, 1st Mtge. 5/56	78.	82.	6.45
Gatineau Power, S. F. Debs., 6/41	75.	80.	9.00
General Steel Wares 6/52	50.	55.	...
Howard Smith Paper Mills 5½/53	60.	65.	9.00
Harris Abattoir 6/47	98.	101.	5.90
Manitoba Power, 1st S. F. 5½/51	72.	76.	7.90
Maple Leaf Milling 5½/49	75.	80.	7.35
Massey-Harris, 1st Mtge. 5/47	60.	65.	7.50
MacLaren Quebec Power 5½/61	85.	93.	6.00
Montreal Coke, 1st S. F. 5½/47	98.	103.	5.20
Montreal Island Power 5½/57	96.	101.	5.45
Montreal Light, Heat & Power 5/51	100.	104.	4.70
Montreal Tramways 1st. Coll. Trust 6/41	99.	102.	4.75
Montreal Tramways Gen. Ref. 4½/55	85.	90.	5.25
Montreal Tramways 5/55	87.	90.	4.75
Moodie, J. R. 6/48	95.	100.	6.00
Ogilvie Flour Mills 6/32	99.	101.	4.90
Ontario Power Service 5½/50	65.	70.	8⅝
Ottawa Valley Power 5½/70	96.	99.50	5.53
Power Corporation of Canada 4½/59	83.	87.	5.40
Price Bros. 1st S. F. Ser. "A" 6/43	80.	88.	7.52
Quebec Power 1st, Mtge. Coll. S. F. 5/68	99.25	102.25	4.87
Shawinigan Water & Power 4½/70	90.	93.	4.90
Shawinigan Water & Power 5/70	101.	103.	4.83
Simpsons 6/49	70.	95.	5.70
Southern Canada Power 1st, 5/55	101.	103.50	4.75
United Securities Coll. Trust 5½/52	97.	99.	5.52
West Kootenay Power 5/56	98.	100.	5.00
Windsor Hotel 6½/43	101.	103.50	6.05
Windsor Hotel 6/47	93.	96.	6.40
Winnipeg Electric 5/35	99.	100.	5.00
Winnipeg Electric 6/54	76.	82.	6.30

Dividends Declared

	Annual rate	Amt. this payment	Date payable	Date of record
Assoc. Telephone & Tel. "A"	...	$1+50c	Jan. 1/32	Dec. 17
Amer. Comm. Power pref.	...	52c	Nov. 2	Oct. 12
Do., pref.	...	52c	Dec. 1	Nov. 12
Do., 1st pref. "A"	$7	$1.75	Nov. 2	Oct. 15
Do., 1st pref.	$6.50	$1.63	Nov. 2	Oct. 15
Do., 1st pref.	$6	$1.50	Nov. 2	Oct. 15
Do., 2nd pref. "A"	$7	$1.75	Nov. 2	Oct. 15
Do., com.	...	†1/40 sh.	Oct. 26	Sept. 30
Brantford Cordage, pfd.	$8	$2	Oct. 15	Sept. 20
Belding Corticelli, com.	7%	1¾%	Nov. 2	Oct. 15
Bell Telephone	8%	2%	Oct. 15	Sept. 23
B. C. Power "A"	$2	50c.	Oct. 15	Sept. 30
Can. West. Natural Gas c.	$4	$1+50c‡	Oct. 15	Oct. 15
Canada Dry c.	$3	75c	Oct. 15	Oct. 1
Can. Industries	...	62½c+25c	Oct. 31	Sept. 30
Do., pref.	7%	1¾%	Oct. 15	Sept. 30
Canada Bud Brew.	$1	25c	Oct. 15	Sept. 30
Can. Fairbanks Morse pfd.	6%	1½%	Oct. 15	Sept. 30
Can. Light & Pr.	...	½%	Oct. 15	Sept. 30
Canadian Bronze	$2.50	62½c	Nov. 1	Oct. 20
Do., pref.	7%	1¾%	Nov. 1	Oct. 20
Can. Wire & Cable "A"	$4	$1	Dec. 15	Nov. 30
Canadian Car, pref.	$1.75	43c	Oct. 10	Sept. 25
Canadian Car, com.	$1.75	44c	Nov. 30	Nov. 18
Can. Northern Power, com.	80c	20c	Oct. 26	Sept. 30
Do., pref.	7%	1¾%	Oct. 15	Sept. 30
Canadian Cottons pfd.	6%	1½%	Oct. 5	Sept. 19
Can. Pr. & Paper Invest. pfd.	5%	1¼%	Nov. 16	Oct. 20
Can. Wineries	50c	12½c	Oct. 15	Sept. 30
Dome Mines	$1	25c	Oct. 20	Sept. 30
Dominion Textile pref.	7%	1¾%	Oct. 15	Sept. 30
Dominion Motors	40c	20c	Oct. 5	Sept. 18
Dominion Tar, pref.	6½%	1⅝%	Nov. 1	Oct. 15
Eastern Dairies	$1	25c	Nov. 2	Sept. 30
Do., pref.	7%	1¾%	Oct. 15	Sept. 30
English Electric "A"	$3	75c	Oct. 15	Sept. 30
Foreign Power Secs. pfd.	6%	1½%	Nov. 16	Oct. 31
Ford Hotel, com.	...	50c	Oct. 31	....
Foundation Co. com.	$1	25c	Nov. 14	Oct. 31
Granby Cons Mining	$1	25c	Nov. 2	Oct. 16
Gypsum, Lime	40c	10c	Oct. 5	Sept. 28
Hamilton Bridge. pfd.	$6.50	$1.62½c	Nov. 1	Oct. 15
Hollinger Mines	...	1%	Oct. 7	Sept. 23
Howe Sound	$2	50c	Oct. 15	Sept. 30
Imperial Life Assur.	15%	$3.75	Oct. 1	Sept. 30
Inter. Hydro-Electric, pfd.	$3.50	87½c	Oct. 15	Sept. 25
Do., Class "A"	...	1/50 sh.*	Oct. 15	Sept. 25
Inter. Nickel pref.	7%	1¾%	Nov. 2	Oct. 3
Investment Foundation, pref.	$3	37c	Oct. 15	Sept. 30
Inter. Utilities "A"	$3.50	87½c	Oct. 15	Sept. 30
Do., pfd. 1931 series	$1.75	43¾c	Oct. 15	Sept. 30
Do., prior pfd.	$7	$1.75	Nov. 2	Oct. 16
Do., prior 1931 series	$3.50	87½c	Nov. 2	Oct. 16
MacKinnon Steel pfd.	7%	1¾%	Nov. 2	Oct. 15
Mitchell, Robt.	$1	25c	Oct. 15	Sept. 30
Montreal L. H. & Pr.	$1.50	37c	Oct. 31	Sept. 30
Montreal Telegraph	8%	2%	Oct. 15	Sept. 30
McColl Frontenac pref.	$6	$1.50	Oct. 15	Sept. 30
Monarch Mortgage, pfd.	8%	2%	Oct. 15	Sept. 30
Montreal Tramways	10%	$2.50	Oct. 15	Oct. 7
Medicine Hat Greenhouses pfd.	7%	$1.75	Oct. 15	Sept. 30
Northern Ont. Pwr. pfd.	6%	1½%	Oct. 26	Sept. 30
Do., com.	$2	50c	Oct. 26	Sept. 30
Penmans	$4	$1	Nov. 16	Nov. 5
Do., pref.	6%	1½%	Nov. 2	Oct. 21
Premier Gold Mines	12c	3c	Oct. 5	Sept. 15
Power Corp., pref.	6%	1½%	Oct. 15	Sept. 30
Do., non-cum. pref.	6%	75c	Oct. 15	Sept. 30
Do., com.	$2	50c	Nov. 20	Oct. 31
Quebec Power	$2.50	62½c	Oct. 15	Sept. 25
Shawinigan W. & Pr.	$2	50c	Oct. 10	Sept. 24
Service Station pfd. "A"	$6	$1.50	Nov. 1	Oct. 15
Do., pref.	$6	$1.50	Nov. 1	Oct. 15
Silverwoods, pref.	7%	1¾%	Oct. 1	Sept. 15
Do., Class "A" and com.	50c	12½c	Oct. 1	Sept. 15
Southern Can. Pr. pref.	6%	1½%	Oct. 15	Sept. 19
Southern Can. Power com.	$1	25c	Nov. 16	Oct. 31
Steel of Canada	$1.75	43¾c	Nov. 2	Oct. 7
Do., pref.	$1.75	43¾c	Nov. 2	Oct. 7
Tuckett Tobacco, pref.	7%	1¾%	Oct. 15	Sept. 30
United Securities	$2	50c	Oct. 15	Sept. 30
Viau Biscuit, 2nd pref.	7%	1¾%	Oct. 1	Sept. 18
Western Grocers pfd.	7%	1¾%	Oct. 15	Sept. 20

*Stock div. or payable in cash 50c. a share. ‡Extra.
†Payable in Class "A" stock on each share of Class "A" & "B" common.

Dividends Passed or Deferred:

British & Foreign Investment, pref. Oct. 1 deferred. Action will be taken in March, 1932. Last paid 62½c. July 2, 1931.

Canada Foundries & Forgings, Class "A," Oct. 15 passed. Last paid 37½c. July 15, 1931.

Mexican Light & Power, 7% cum. pref. and 4% 2nd pref. Nov. 1, deferred. Last paid 3½% on 1st pref. and 2% on 2nd pref., May 1, 1931.

Tooke Bros., pref., Oct. 15, passed. Last paid 1¾% July 15, 1931.

Transamerica Corp., Oct. 25, passed. Last paid 10c. July 25, 1931.

Whittall Can, pref. Oct. 1 passed. Last paid 1¾% July 2, 1931.

Dividend Rate Reduced:

Gypsum, Lime & Alabastine, Oct. 5, reduced from 20c to 10c quarterly.

Shawinigan Water & Pr., Oct. 10, reduced from 62½c to 50c quarterly.

Note re Unlisted Securities

Although The Financial Post strives to obtain the closest quotations possible on the unlisted stocks and bonds in the various tables on this page and the adjoining page, the quotations are not guaranteed and no responsibility is assumed in connection with them. In inactive markets, many quotations can be little more than nominal but it is felt that even a nominal quotation giving an idea of approximate price is better than none at all.

A. J. Pattison, Jr. & Co. LIMITED
INVESTMENT BANKERS
Dealers in Unlisted Bonds and Shares
159 Bay Street, (First Floor) Toronto — Elgin: 5101 (TEN LINES)

Business Paper Editors Report on Conditions

(Continued from page 13)

will also improve. This is always the case.

Tariff legislation has been helpful in the past year to printers and publishers. Last September the tariff on advertising and printed matter was increased from 15 cents per pound to 35 per cent ad valorem on imports from the United States. This resulted in branches of many U. S. firms in this country having their printing done in Canada where formerly it was imported from their head offices. Increasing year after year the total volume was running into several millions of dollars annually.

Another piece of helpful tariff legislation was the introduction of the recently applied duty on magazines from the United States. At least 30 periodicals of the pulp fiction type, formerly printed in the United States, are now being printed in Canada, giving employment to many more workers in the press rooms, binderies and mailing rooms of Canadian printing and publishing plants. Obviously, too, this will result in the use of more Canadian paper, ink and other supplies necessary in publishing. A number of other U. S. publications also will no doubt eventually be printed in Canada. Among the printers of the U. S. publications now issued in Canada are the MacLean Publishing Company Limited, Industrial and Educational Publishing Company, Limited; Canadian Gravure Company, Limited; Southam Press Limited, all of Toronto. It is understood also that negotiations are under way for the printing of some of the MacFadden publications in Montreal.

A national advertising campaign in Canadian publications by some of the U. S. periodicals being printed here has helped the volume of Canadian advertising.

Newspaper advertising lineage, both local and national, has taken a drop in the past year in a number of dailies while in others it has more than held up. The same applies to lineage in magazines, trade and technical newspapers and weekly newspapers.

Though generally conceded to be a business-builder, advertising suffers a decline during business recession. Despite the general trend many of the largest advertisers increase their appropriations, and this with more local bargain advertising in evidence, as a result of depressed conditions, helps to fill up the gap caused by the curtailment of the efforts of those advertisers who either fail to appreciate the benefits of publicity or cannot afford to make the investment.

Unless general business suffers another decided setback the printers and publishers feel that the bottom of the decline has been reached and the next move will be upward. No one cares to venture an opinion, however, as to what may happen as a result of the gold standard suspension. In Canada there are some 2,500 printing and publishing plants of various kinds. It speaks well for the printing and allied industries that a failure is seldom reported in these trying times.

DRUGS

Volume of Trade Holds Close to 1930 Level

DRUG MERCHANDISING
Toronto
W. C. A. Moffatt, Editor

In the drug trade, as in every other line of business, there is a certain amount of talk about depression conditions and here and there a complaint is heard but there is little doubt but that the profession, as a whole, is weathering the storm a good deal better than is the case with other businesses. Manufacturers of certain luxury lines, of course, are feeling the pinch but it is seldom one hears of a retailer going bankrupt or quitting business while, on the other hand, new stores are being opened all the time and pharmacists with several stores or more are continuously adding to their chains. Taking everything into consideration, the drug business—in spite of the apparently insurmountable menace of price cutting and its attendant evils—is healthy and sound and indications are that it will continue this way unless some tremendous upheaval, at present unforeseen, occurs.

Owing to the reluctance of firms to give out figures for publication it is not an easy matter to put down in black and white just how they have been finding business but one of the country's biggest pharmaceutical manufacturers claims that business in 1931 is to date from five to seven per cent ahead of last year. Another big firm selling to the trade has just completed a magnificent summer's business, being, in Ontario alone, over $16,000 ahead in July of the same month a year ago and $14,000 to the good in August. Others selling directly to the trade appear to be quite well satisfied with the showing they are making and it is only on rare occasions that the admission is heard that the depression has cut heavily into the volume of the trade.

See Small Profit Decline

Speaking generally, sales of drugs and related supplies by manufacturers have shown moderate relative improvement so far this year. For the full year it is estimated that the total sales volume of drugs and related products will be about equal to that recorded in 1930. Certainly the 1931 total will not be far below that of 1930. With the price structure in this industry only slightly affected by the depression, earnings for the current year should not diverge widely from 1930 levels. At most, it is unlikely that average profits will diminish by more than 10 per cent. In the majority of cases improved business will be chalked up and where volume has not grown a holding-his-own condition will be reported by the average manufacturer and retailer.

Summarizing the situation as it appears today, the outlook for fall and winter business in the drug trade is very much the same as it was a year ago. Inventories are at an exceedingly low level and hand-to-mouth buying is fairly general. There has been no appreciable drop in prices and, strange to say, the drugs that show increases in price from week to week greatly outnumber those that are offered at reduced quotations.

The growth of the chain store and the selling of goods at prices that leave too little profit to take care of overhead expenses are the biggest obstacles in the druggist's path. If these were removed or the competition resulting therefrom rendered less severe the country-wide depression would cause him little or no loss of sleep.

PLUMBING—HEATING

New Types of Equipment Help to Hold Up Trade

SANITARY ENGINEER
Toronto
A. C. Mackenzie, Editor

Despite a serious recession in construction of commercial, institutional, and apartment buildings throughout Canada, certain manufacturers serving the plumbing and heating trades, through the addition of new lines, have developed a sales volume in excess of 1930 and in other instances sales closely correspond with those of last year. Owing, however, to the retail trade buying in small quantities, the total volume of commodities moving in these industries has declined from 1930. Stocks in wholesalers' and retailers' hands are at a decidedly low level and any increase in installations would immediately be reflected in production schedules.

Prices on plumbing and heating commodities have declined so that the present is a very opportune time for owners and prospective builders to have new installations or remodelling of present systems gone ahead with.

Sales of automatic heating equipment are developing quite actively and indication points to total in excess of last year. Oil heating equipment, stokers and coal blowers are selling quite actively and a decided improvement is noticeable in the number of installations of oil burners for industrial purposes in both Toronto and Montreal. One Canadian manufacturer has reported more business so far this year than in any year heretofore. Firms displaying automatic heating equipment at the Canadian National Exhibition just completed developed more sales and found more genuine interest in their products this year than for many years past.

Through the use of deferred payments, extensive remodelling of plumbing and heating systems and installations of new systems in buildings formerly lacking these has provided considerable business this year. The aggressive selling of automatic refrigeration, heat control systems, water heaters, shower equipment and allied lines through the plumbing and heating trade has been an outstanding feature of the retail trade during the present year. In the warm air heating field the development of air conditioning systems has provided the trade with sales outlets not formerly opened to them. Owing to open fall weather, many installations of heating equipment which ordinarily would have been completed by now have been deferred so that the trade anticipates a decided impetus to business during the next two months.

MOTION PICTURES

Attendance Falls as Talkies Lose Immediate Novelty

CANADIAN MOVING PICTURE DIGEST
Toronto
Ray Lewis (Mrs. Joshua Smith) Publisher and Editor

The motion picture, being principally mass entertainment, has not suffered through depreciation in income, in the proportion which other industries have suffered.

Approximately, 400 motion pictures are imported yearly into Canada, and the greater percentage are absorbed in the motion picture theatres, which number close to 1,100.

The exhibitors, or theatre owners, who desire to keep their theatres open, must have a regular supply of motion pictures. There have been a number of houses closed this past year, not only due to the fact that the attendance has been diminished, because of unemployment, but for reasons involving existing theatre policies which close a theatre, or theatres, when the company in control, finds it expedient to eliminate competition, in a particular city, town or zone, through the purchase of the competing theatre, thereby directing the attendance to one or two houses in that territory.

There have been numerous new theatres built, in Toronto, and various points across Canada, which have balanced the number closed. Theatres have also been improved and reconstructed, during the year, with the majority being equipped with first-class sound apparatus, for the presentation of talking pictures.

Attendance at motion picture theatres appears to be dependent upon the entertainment value of a picture. For instance, we have found that despite stock deflation, and other disturbing economic factors, a Norma Shearer picture, or a Marie Dressler and Polly Moran combination, a Marlene Dietrich picture, a Greta Garbo, a picture like "Skippy," a Joan Crawford, a Constance Bennett, a George Arliss feature, or some of the British International pictures can break theatre records for attendance. I have in mind a picture called "A Free Soul" with Norma Shearer and Lionel Barrymore, which played two weeks at Loew's, Toronto, and returned for an extra week, at a time in particular when the bottom appeared to have dropped out of the stock market.

There is a noticeable decrease in profits, and gross intakes as compared with 1928-1929, when the talking picture was still a novelty, but the motion picture industry is making profits.

The selling price as between distributors and exhibitors of motion pictures is always a fluctuating one, determined by what an exhibitor will pay; and what a distributor can get.

The percentage arrangements of exhibition, or buying film has increased, rather than decreased, as this method of trading in the film trade grows more prevalent.

Production costs of pictures average from $75,000 to $250,000, special star features run up in production costs to $500,000; and it is has been said, a million dollars, but with Wall Street, sitting around the round table of picture costs, the million dollar picture is becoming obsolete.

The price to the exhibitor is not always fixed by the production cost, the entertainment value of the picture governs its sale price and money-earning ability. There have been several million-dollar-picture failures; and inexpensive pictures have been slated among the million dollar profit-making group.

Theatre admission prices throughout Canada, save in very few instances, have remained the same during the current year, as during the previous year. Conditions in Canada for motion pictures are excellent and likely to be improved.

The distribution of British pictures in Canada, should stimulate British film promotion generally, and give a new interest to motion pictures in Canada, as well as stimulate trade in general between Great Britain and Canada.

There is legislation in Ontario, awaiting but an order-in-council, to introduce a Film Quota Act, similar to the Cinematograph Act, introduced into Great Britain in 1927, and which gave the British film industry such an impetus.

LUMBERING

Surplus Mill Stocks Lead to Much Price-Cutting

CANADA LUMBERMAN
Toronto
G. B. Van Blaricom Editor

The lumber business in Canada has, during the past few months, been passing through a rather trying period, with abundant stocks, fluctuating prices and decreased consumption. This has been brought about by world-wide economic conditions, the decline in the demand across the border, heavy importations in the Old Country of Russian forest products, a drop in building operations and industrial activities and the absence of general repair work, particularly in the rural districts, owing to low prevailing prices for farm products. Of the different units in the lumber line, the manufacturer is possibly having the most difficult siege at present as his operations are of such long range character that they cannot be altered on short notice.

It was anticipated early this season that trade, both export and domestic, would reach the same proportions in 1931 as in 1930. This, however, has not turned out to be the case and the lumber industry, at the present time, is suffering from overproduction. Retail yards have been buying conservatively but have not been inclined to stock up. In other years advance purchases would be made in anticipation of the season's requirements, the majority of retail dealers are now disposed to buy only for sorting or mixed car lots and, in many cases, wait until contracts have been secured for the lumber on certain jobs before placing an order for the necessary sizes and quantity of material.

Millmen have sought to cut down production and, in a measure, have succeeded and probably output and demand would balance today if requisitions for lumber had been as large this season as in 1930 when lumber plants closed very early in the fall. Production has further been decreased in 1931 and the larger sawmills which, in a normal year operate from four to six months, sometimes with two shifts, did not, during the past summer, run more than six to ten weeks.

Stocks in the yards of lumber producers are rather heavy, being 10 to 50 per cent greater than in 1930. The result is there has been some price cutting, particularly in spruce. Quotations on lumber are the lowest that they have been since 1918, according to reliable statistics. Framing material, joists, studding and jack pine are generally 10 per cent lower than a year ago, while flooring costs have decreased from 10 to 20 per cent; shingles 25 per cent; door casing, base and other trim of both hard and softwood, 10 to 15 per cent.

In not a few instances lumber is being sold today at less than the actual cost of production and this is why a number of the biggest operators will put in few, if any, camps this season. They do not wish to add to the gravity of the surplus stock situation so far as output is concerned and believe the remedy to revive the lumber business is to keep down production until general trade becomes more active and present stocks are liquidated.

Stumpage Dues Cut

In Quebec and New Brunswick stumpage dues have been reduced but in Ontario they remain unchanged, although the provincial administration nearly a year ago granted some concessions in the matter of payments. Whether any alleviation would be brought to the present situation through lessening the stumpage in all the forested provinces of Canada during the coming winter is a question difficult to answer. There are many arguments on both sides.

Inventories in retail yards have been kept well in hand but, as already intimated, the manufacturer appears to be the burden bearer at this juncture. Wholesale lumbermen, who in past years have purchased stocks en bloc or a whole season's cut have not done so this year, owing to the uncertain industrial and financial situation and the fact that the banks have been tightening up credits, particularly in the lumber industry. In normal times, lumber is regarded as a good security whether in the hands of manufacturer or wholesaler, but, at present prices and with diminished consumption it is not looked upon as sold until it has actually passed from the hands of the retailer into constructional enterprises.

It is not expected there will be much change in the general situation this fall but if export trade develops in the spring, industrial activity is resumed and a larger measure of home building is carried on, there is no valid reason why fair values should not be re-established and price cutting eliminated. Output and demand should, under these conditions, be more evenly balanced, providing overproduction does not again rear its head.

While considerable lumber was moved during the past season, so far as volume is concerned, it is generally conceded that its transfer resulted in no profit—if not an actual loss—to manufacturers and wholesalers. Retail dealers have experienced in most cases a falling off of 10 to 40 per cent in their turnover.

Some Encouraging Features

There are, on the other hand, a number of encouraging features regarding the situation. Some of the illuminating points, from the producer's standpoint, are low and broken stocks in the hands of retailers. These are less than usual, so that while manufacturers have big holdings, the average over the country is not much above normal. When demand arises—as it surely will—mill yards should soon be relieved of their surplus "Distress stocks" and those from small manufacturers are disappearing from the market and, with a markedly decreased log output this winter, the situation should steadily improve and a much better balance result.

Another encouraging situation is the gradual awakening of the wholesaler and retailer to the fact that lumber cannot continue to be sold at less than the cost of replacement as it is, and has been, for several months. Lessons are being learned from the present stringent situation and sane lumbermen have no desire to find themselves in the same position as the newsprint companies, which, owing to the folly of uncontrolled production, are in a deplorable predicament.

Backed by a sincere desire for the weal of the industry there should, in the months to come, be a larger measure of co-operation and cohesion on the part of the different units in the forest products arena. Balanced production, economic adjustments, greater appreciation of and more demand for lumber in the days ahead will assist in bringing back the prestige and popularity of wood—nature's first and foremost building material.

BOOKS—STATIONERY

Book Trade Stabilized—Stationery Demand Falls Off

BOOKSELLER AND STATIONER
L. C. Randall, Editor
Toronto

Any improvement in business conditions throughout the country should be reflected almost immediately in the stationers' sales to business houses. While there has been a slight betterment noted since September first, it is impossible to predict that there will be a general improvement during the coming fall and winter.

There is every reason to believe however that the bookselling business will be maintained at a good level. Sales will be concentrated on fewer and better titles and prices have been slightly advanced which will assist in keeping up dollar volume.

Undoubtedly the stationery trade has allowed stocks and inventories generally to fall to a low level so that there should be an improvement in buying at the present time to take care of the natural fall increase. The trade in general, however, is buying supplies to take care of immediate requirements only and in some cases is ordering daily. Even where improvement in sales volume has been improved, the size of individual orders remains small.

School Trade Better

The school stationery trade has been better this summer than last because of the few advance orders which had been placed, making it necessary for considerable buying to be done prior to the opening of school this fall. Credit and collections continue to be slower than last year and some old established firms are requiring extensions. It is a fact however that the great majority of the trade is doing its best to meet its obligations and is not taking advantage of the general situation. Collections have been particularly affected in the West.

The greeting card industry is maintaining its position and is anticipating a generous increase through the effects of the recent upward revision of the tariff. Many stationery manufacturers have been adversely affected by increased duties on materials and this has offset any advantages expected by lower price levels in manufacturing costs. In fact there are several instances of sales being ahead of last year but the increased cost of securing business this year has offset any increases in sales volume.

Reading In Depression

The book trade, considering the general state of affairs, is in good shape. The nature of the business is such that it does not boom excessively in good times and registers no great decrease during a depression. In fact it is noted that books are used as gifts and recreation more extensively in dull periods and this tendency has assisted somewhat in keeping the book business at a good general level. Booksellers have allowed stocks to drop to a low level and while there has been a good volume of business done from Canadian stocks, there has been a reluctance on the part of retailers to place long date import orders.

There has been a slowing up in the sales of leather bindings and expensive editions which are definitely in the luxury class.

GRAIN

Trade Lays Foundations for Normal Marketing

GRAIN TRADE NEWS
Winnipeg
H. J. HANSELL, Managing Editor

The grain trade in the West is passing through a very difficult period and it would be futile to gloss over the actual situation.

Export business in this industry is of first importance and the condition of the export market is immediately reflected back to the primary producer in no uncertain manner. Due to the accumulation of supplies, particularly in North America, wheat of high quality is on the bargain counter at the present time and yet is not accepted freely by importing countries, the latter having their own troubles and financial difficulties.

Not On Down Grade

Nevertheless it would be just as futile to jump to the conclusion that Western Canada is on the down-grade as a grain producer and exporter. Even under the disturbed conditions prevailing in the world market Canada has retained a fair share of the world grain trade. The reason is not difficult to discover. With almost unfailing regularity the West produces wheat which possesses that quality known as "strength" which is so essential in milling mixtures. The crop of 1930-31 suffered in volume but not in quality. The following report of the Research Laboratory of the Board of Grain Commissioners needs no comment:

"The weight per bushel of the samples received at Winnipeg is about the same as last year and the yield of flour also compares very well with that obtained from corresponding grades. The crop is also very dry, many cars testing around 12 per cent moisture, while the average is 13.2 per cent. Of 3,226 cars inspected to date less than four per cent were graded tough and none were damp.

"It should also be noticed that to date over 90 per cent of the cars graded 2 Northern or higher, about 6 per cent 3 Northern, and less than 1 per cent below contract grade.

As previously reported, the protein content is markedly higher than was the case last year, the average difference being 0.8, 0.9 and 1.6 per cent in the case of Nos. 1 Hard, 1 Northern and 2 Northern respectively in the samples examined to date.

The quality of the gluten of the different grades is also exceptionally good and compares most favorably with that of other years.

The baking quality is also excellent and fully equal in every particular to that of last year, which was also unusually good. The flour absorption is higher and the loaf volume greater than that of last year. When blended with typical low protein foreign wheats the increase in loaf volume is very marked, this increase being as great if not greater than that found with last year's wheat.

All things considered, it may be said that the baking quality of this year's crop to date is fully equal to if not better than that of any year examined by the Laboratory.

Trade Tackles Problems

The ownership of high quality wheat is not sufficient in itself. It must be produced at as low a cost as possible and yet give a fair return to the grower. Waste and uneconomic methods must be eliminated. Weed and insect menaces have to be dealt with intelligently and effectively. Good seed must be made available to producers. These are all problems which the grain industry is tackling. Finally, efforts must be made to keep the handling system from producer to consumer up to concert pitch. There must be unceasing vigilance in salesmanship and in judiciously advertising the merits of the Canadian grain.

The reduction of burdensome supplies is going on slowly but surely. There is little doubt in the minds of close observers of the situation that a broadening foreign demand is inevitable in the long run. The strenuous time that grain business in the West is passing through should ensure that the system will function even more smoothly and efficiently under normal conditions.

Canadian Quotations—Cont'd

Winnipeg Grain Prices

Week to September 29

Crop Year from Aug. 14 High	Low		Open Sept. 23	High for week	Low for week	Close Sept. 29
		Wheat				
.70⅝	.51	Oct.	.55⅞	.55⅞	.52¾	.52⅞
.56⅞	.53⅜	Nov.	.55	.56¼	.53⅜	.53¾
.67⅛	.51½	Dec.	.56½	.56¼	.53⅞	.54
.61⅞	.55⅛	May	.55⅝	.59⅞	.58⅛	.58⅝
		Oats				
.32	.26¼	Oct.	.28	.28¼	.27⅝	.27½
.38½	.25⅝	Dec.	.28½	.28⅝	.27⅞	.28
.31¾	.28	May	.30¼	.30⅝	.30¼	.30½
		Barley				
.26⅞	.25⅛	Oct.	.31⅞	.32⅜	.29⅞	.29⅞
.33½	.25⅞	Dec.	.32⅞	.32⅞	.30⅜	.30⅞
.36¼	.33	May	.35⅝	.35⅞	.33⅞	.33⅞
		Flax				
1.25⅞	.93½	Oct.	.98	1.00	.93½	.94
1.27	.93½	Dec.	1.01	1.01⅛	.93½	.96
1.21	1.00	May	1.06	1.06	1.00½	1.01½
		Rye				
.40⅞	.28	Oct.	.35	.35½	.32⅝	.32⅝
.42	.29⅞	Dec.	.36¼	.36⅜	.33⅜	.33⅜
.38	.32⅝	May	.39⅝	.39⅝	.37⅛	.37¼

Canadian Bonded Grain in U. S.

Quotations on New York Produce Exchange, Basis Buffalo
Week of September 29

High	Low to date†		Close Sept. 22	High for week	Low for week	Close Sept. 29
		Wheat				
.70½	.50⅞	Oct.	.52⅝	.54½	.50⅞	.50⅞
.70½	.52⅞	Dec.	.54⅝	.55⅝	.52⅞	.52⅞

†Since trading opened March 3.

Foreign Exchange

	New York Funds Opened (Premium)	Closed	Last Year High (Discount)	Low
September 23	8½%	6%	7-64	1-8
September 24	8½%	6½%	7-64	1%
September 25	7%	9%	7-64	1-8
September 26	8½%	10½%	7-64	1-8
September 28	9⅝%	11%	1-8	9-64
September 29	10%	12½%	5-64	1-8

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
September 23	4.10	3.93⅞	5.09
September 24	3.82	3.93⅞	5.14
September 25	3.74	3.94⅞	5.09
September 26	3.82	3.93⅞	5.13½
September 28	3.84	3.94⅛	5.08
September 29	3.86	3.93⅞	5.00

FOREIGN EXCHANGE

Par		Sept. 15	Sept. 22	Sept. 29
5.26	Italian	5.28	5.92	5.67
23.80	German	23.77½	25.36	26.23
13.90	Belgian	14.02½	14.83	15.48
49.80	Japanese	48.85	....	....

Mining Stock Quotations

Week Ending September 28

Par Val.	Range 1931 High	Low	Company	Sales	Close Sept. 21 (or last)	High for week	Low for week	Close Sept. 28
1	.23	.02¾	Abana	6,300	.03	.04	.02¾	.02¾
1	.03	.01	Aconda	......	.01	.....	.....	.....
1	.05½	.03½	Adrien	......	.04¾	.....	.....	.....
No	.50	.12	Aldermac	......	.25	.....	.....	.....
1	.20½	.11	Alexandria	1,700	.12	.13	.13	.13
1	.05	.00½	Algonquin	7,500	.00¾	.00¾	.00¾	.00¾
1	.02½	.01	Amity C.	500	.02	.01½	.01½	.01½
No	.45	.12	Amulet	400	.17	.17	.16	.16
1	.02½	.00¾	Apex	500	.00¾	.01½	.01½	.01½
1	.05	.01	Area	......	.01½	.....	.....	.....
1	.01	.00½	Argo. Cons.	......	.00¾	.....	.....	.....
No	.08½	.01½	Arno	24,700	.02	.02½	.02	.02
1	.01½	.01	Astoria	......	.01	.....	.....	.....
1	.02	.00½	Atlas	......	.00½	.....	.....	.....
1	.07	.05½	Bagamac	......	.06½	.....	.....	.....
1	.02½	.01	Baldwin	......	.01	.....	.....	.....
1	.19	.08	Barry Holl.	4,900	.10½	.10½	.09	.09
No	1.45	.75	Base Metals	25	1.00	1.00	1.00	1.00
No	.04	.00¾	Bathurst	3,500	.03	.03	.02½	.02½
5s.	1.75	.60	B'Wana	......	.75	.....	.....	.....
1	.28	.25	Ben Nevis	......	.27	.....	.....	.....
1	.33	.18	Bidgood	1,800	.21	.22	.18	.21
1	.50	.10	Big Missouri	40,600	.11	.14	.10	.11
1	.05½	.04¾	Blue Quartz	......	.04¾	.....	.....	.....
1	.12	.01½	Bobjo	4,500	.03½	.03½	.01½	.03½
No	.01	.00½	Boischatel	......	.01	.....	.....	.....
1	.08	.01	Brett Trethewey	3,500	.01½	.02	.01½	.02
1	.03	.03	Brit. Canadian	......	.03	.....	.....	.....
No	.12	.02¾	Brownlee	39,500	.03	.03½	.02¾	.02¾
1	.02	.00½	Buckingham	......	.00½	.....	.....	.....
No	.08½	.02	Bunker Hill	4,500	.03½	.03½	.03½	.03½
No	.03	.01	Cal. Flin Flon	......	.01	.....	.....	.....
1	.02	.01	Cambro Kirk	......	.02	.....	.....	.....
No	.05½	.02	Canam Metals	......	.02½	.....	.....	.....
1	.06½	.01½	Can. Kirk.	11,000	.03	.03	.02¾	.02¾
1	.02	.02	Can. Lorraine	......	.02	.....	.....	.....
1	.32½	.12	Canusa	17,850	.18	.21½	.20	.20
1	.04½	.00½	Capital Rouyn	......	.01	.....	.....	.....
1	.26½	.15	Castle Tre.	33,100	.15½	.24	.16	.22
1	.23	.03	Cen. Manitoba	1,500	.09	.08½	.08½	.08½
1	.17	.07½	Can. Patricia	100	.08	.07½	.07½	.07½
1	.02	.01½	Champion R.	......	.02½	.....	.....	.....
No	.59	.02	Chib. Pros.	2,100	.05	.05½	.05	.05
No	.08	.01½	Clericy	12,000	.01½	.01½	.01½	.01½
5	10.50	2.50	Coast Copper	60	3.00	3.00	3.00	3.00
1	.05½	.01½	Cobalt Contact	42,500	.02½	.03½	.01½	.02½
1	.02½	.00½	Col. Kirkland	......	.01½	.....	.....	.....
1	.39	.05	Columario	1,700	.09	.09	.09	.09
5	1.50	.50	Coniagas	......	1.25	.....	.....	.....
No	.62	.25	Coniaurum	128	.40	.42	.35	.42
25	188.25	64.00	Cons. Smelters	1,774	65.25	66.00	65.00	65.00
.	.29	.15	Cons. Venus	10,000	.26	.29	.25	.29
1	.01	.00½	Corona	......	.00½	.....	.....	.....
1	.02½	.00½	Crown Reserve	......	.01	.....	.....	.....
.	.29½	.26½	Crudome	......	.28½	.....	.....	.....
No	.21	.03	Dom. Exploration	9,000	.08	.08	.06	.08
1	.03	.00½	Dom. Kirkland	......	.00½	.....	.....	.....
No	13.40	9.00	Dome Mines	15,550	10.80	11.00	9.65	9.75
1	.01	.00½	Don Rouyn	500	.01	.01	.01	.01
No	.33	.30	Donald Woolsey	......	.30	.....	.....	.....
1	.01	.00½	Dunkin	......	.00½	.....	.....	.....
1	.02½	.00½	Duprat	......	.01½	.....	.....	.....
1	1.68	.20	Eldorado	11,925	1.01	1.01	1.01	1.01
No	1.70	.75	Falconbridge	249	.90	.99	.99	.99
1	.08½	.02	Federal	......	.04½	.....	.....	.....
No	.01½	.00½	Flintoba	5,000	.00½	.00½	.00½	.00½
No	.30	.07	Gem Lake	1,000	.07	.07	.07	.07
No	.04½	.01½	Gilbec	500	.02½	.01½	.01½	.01½
1	.08	.02½	Goldale	500	.03½	.03½	.03½	.03½
10	.25	.15	Goldfield	......	.15	.....	.....	.....
1	.01½	.00½	Gold Hill	2,000	.00½	.00½	.00½	.00½
1	.11	.02½	Goodfish	2,000	.05	.03½	.03½	.03½
1	.04	.00½	Graham	......	.00½	.....	.....	.....
1	2.30	1.10	Granada	100	1.15	1.15	1.15	1.15
1	.12	.06	Groselle	......	.10	.....	.....	.....
1	.03	.01	Harker	......	.01½	.....	.....	.....
.	.39	.31	Harvey	......	.39	.....	.....	.....
1	.08½	.07½	Hayden	......	.08	.....	.....	.....
.	.30	.28	Helliwell	......	.28	.....	.....	.....
1	.05	.00½	Hilltop	27,500	.02	.02	.01½	.02
5	8.70	5.50	Hollinger	1,375	5.95	5.95	5.50	5.90
1	.40	.20	Howey Gold	5,750	.28	.30½	.28	.30½
No	6.30	2.80	Hudson Bay	1,540	3.00	3.00	2.80	3.00
No	.40	.30	Huronian	800	.30	.31	.31	.31
No	20.50	9.00	Int. Nickel	42,055	9.25	10.87	9.00	10.00
1	.03	.00½	Jackson M.	2,000	.01	.01	.01	.01
1	.34	.23	Keeley	6,100	.23	.31	.23	.31
1	.04½	.00½	Keora M.	2,000	.00½	.00⅞	.00⅞	.00⅞
1	.65	.27½	Kirk. Hud. Bay	7,300	.60	.60	.56	.56
1	.03	.01	Kirk. Hunton	......	.01½	.....	.....	.....
1	.93	.54	Kirkland Lake	11,450	.59½	.60½	.57	.59½
1	.08	.01	Kirk. Premier	......	.04	.....	.....	.....
1	.25	.05½	Kirk. Townsite	4,500	.14	.14	.13	.14
20c	.02½	.00½	Koot. Florence	16,500	.00½	.01½	.00½	.01½
1	.02	.00⅞	La Rose	......	.00⅞	.....	.....	.....
1	.69	.38	Lakeland	100	.47½	.47	.47	.47½
1	28.50	23.50	Lake Shore	6,580	26.50	26.85	26.50	26.50
1	.02	.00½	Laval	......	.00½	.....	.....	.....
1	.04	.01½	Lebel Oro	500	.02½	.02½	.02½	.02
No	.35	.35	Locarno	......	.35	.....	.....	.....
1	.55	.10	Macassa	1,300	.34	.34	.34	.34
1	.12	.02	Malartic	......	.03½	.....	.....	.....
No	.15	.06	Mandy	......	.08	.....	.....	.....
No	.06	.01½	Manitoba Basin	8,000	.01½	.01½	.01½	.01½
1	.55	.20	McKinley	500	.35	.35	.35	.35
5	26.50	17.15	McIntyre	9,670	21.25	21.00	17.15	17.25
No	.33	.08	McLeod River	5,500	.21	.21	.21	.21
1	.04	.04	McVittie	......	.04	.....	.....	.....
1	.29	.03	MacMillan	......	.06	.....	.....	.....
1	.01½	.00½	Millcrest	......	.01	.....	.....	.....
No	2.84	1.39	Mining Corp.	2,800	1.43	1.41	1.41	1.41
1	.34	.01	Moffatt Hall	55,900	.10½	.10½	.10	.10½
1	.04	.02½	Moneta	......	.03½	.....	.....	.....
1	.00½	.00½	Montreal Rouyn	......	.00½	.....	.....	.....
1	.63	.20	Moss	72,500	.36½	.38½	.36½	.37½
1	.09	.01	Murphy	11,050	.02½	.02	.02	.02
No	.07½	.02	Newbec	8,500	.03	.03	.03	.03
1	.40	.25	Nevada	......	.25	.....	.....	.....
1	.09	.02	Night Hawk	1,000	.04	.03	.03	.03
5	1.90	.80	Nipissing	7,700	1.00	1.50	1.00	1.30
No	29.65	14.00	Noranda	34,077	15.80	15.85	14.00	15.10
1	.50	.25	Nor. Canada	9,300	.27	.30	.26	.27
No	.03	.00½	Old Colony	1,500	.01	.00½	.00½	.00½
1	.01	.00½	Ophir	......	.00½	.....	.....	.....
1	.10½	.02½	Oriole	......	.03	.....	.....	.....
1	.21	.07	Osisko	4,400	.07	.08	.07	.07
1	.25	.23	Parkhill	......	.23	.....	.....	.....
1	.15	.14	Patricia Dent	......	.14½	.....	.....	.....
1	.04	.01½	Pawnee Kirk.	......	.02½	.....	.....	.....
No	1.61	.60	Pend Oreille	4,750	.60	.65	.60	.60
1	.04½	.01	Pete. Cobalt	5,000	.01½	.01½	.01½	.01½
.	.25	.18½	Phoenix Moly	......	.25	.....	.....	.....
1	.01½	.00½	Picard	......	.00½	.....	.....	.....
1	.12	.05	Pioneer	......	.05	.....	.....	.....
1	.02½	.00½	Porc. Crown	......	.01	.....	.....	.....
1	.02	.00½	Potter Doal	......	.00½	.....	.....	.....
1	.45	.30	Powell Rouyn	......	.30	.....	.....	.....
1	.99	.41	Premier Gold	8,000	.41	.60	.42	.54
1	.02½	.00½	Preston E. Dome	......	.01	.....	.....	.....
No	.25	.07	Quemont	......	.08	.....	.....	.....
1	.06	.00½	Ribago	5,100	.04	.04	.03	.03½
1	.34	.24	Rich. Rock	......	.33	.....	.....	.....
1	.15	.02	Ritchie	9,700	.03	.03½	.03	.03
1	.04	.00½	R. Montbray	......	.01	.....	.....	.....
1	.05	.04	Rubec	......	.04	.....	.....	.....
No	.36	.30	San Antonio	......	.30	.....	.....	.....
1	.21	.10	Seven Troughs	......	.10	.....	.....	.....
1	.125	.49	Sherritt Gordon	12,425	.51	.51	.49	.51
1	.57	.36	Siscoe	42,420	.49	.49½	.49	.49
1	.18	.02	South Keora	1,000	.02½	.03	.03	.03
No	.05	.01½	Stadacona	7,500	.01½	.01½	.01½	.01½
1	.20	.03½	St. Anthony	......	.08	.....	.....	.....
No	.82	.35	Sudbury Basin	3,795	.40½	.46	.40	.40
1	.03	.01	Sud. Contact	......	.01½	.....	.....	.....
1	.03½	.00½	Sudbury M.	500	.00½	.00½	.00½	.00½
No	.04½	.01	Sudbury N.	......	.03	.....	.....	.....
1	.19	.09	Sullivan	......	.10	.....	.....	.....
1	1.14	.48	Sylvanite	2,950	.70	.70	.65	.70
1	.20½	.04	Tashota	1,000	.10	.10	.10	.10
1	8.65	5.75	Teck Hughes	3,210	6.00	6.10	5.75	6.00
1	.10½	.01	Telluride	......	.01½	.....	.....	.....
1	.01½	.01	Temiskaming	......	.01	.....	.....	.....
1	.06½	.02	Thom. Cad'c	......	.03½	.....	.....	.....
1	.02½	.00½	Tough Oakes	......	.01	.....	.....	.....
1	.63	.17	Towagmac	......	.31	.....	.....	.....
No	2.65	1.00	Treadwell	200	1.00	1.25	1.25	1.25
No	2.85	2.40	Tri-Metals	......	2.85	.....	.....	.....
1	.15	.04½	United Kirkland	......	.07	.....	.....	.....
1	.03	.03	Vacuum Gas	......	.02	.....	.....	.....
No	.86	.35½	Ventures	1,350	.49	.49	.44	.49
1	.15	.01½	Vickers	......	.09	.....	.....	.....
1	1.22	.60	Vipond	700	.61	.65	.60	.64
No	2.00	.90	Waite Ackerman	......	1.00	.....	.....	.....
1	.02½	.01	West Tree	......	.01	.....	.....	.....
1	.27	.03⅞	White Lake	1,500	.07½	.07	.06	.07
1	.06	.02	Wiltsey	......	.02	.....	.....	.....
No	.01½	.00½	Windfall Rain	......	.01	.....	.....	.....
.	.13	.03½	Wood Kirk.	1,000	.08½	.05	.05	.05
No	3.25	1.85	Wright-Har.	10,970	2.91	2.92	2.85	2.91
			WESTERN OIL STOCKS					
1	.30	.13½	Acme	7,200	.16½	.16½	.15	.16½
1	.37½	.05	Alta. Pacific	1,865	.08	.08	.06½	.08
1	.08	.07	Amalgamated	......	.08	.....	.....	.....
No	.25	.04	Associated	450	.04	.06	.05	.05
1	1.89	1.08	Ajax	2,250	1.10	1.10	1.08	1.10
No	.12	.02	Baltac	......	.03	.....	.....	.....
1	.07	.02	Black Diamond	......	.02	.....	.....	.....
1	.36	.05	Brit. Dominion	50	.06	.07	.07	.07
1	.32	.04	Calmont	......	.04½	.....	.....	.....
No	.82	.20	Calgary & Ed.	900	.22	.30	.20	.30
1	.47	.06	Comm. Pete	1,715	.08	.08	.06	.08
No	.60	.15	Dalhousie	......	.16	.....	.....	.....
No	.08	.01½	Devenish	......	.01½	.....	.....	.....
No	.12	.01½	Dome Oil	......	.02	.....	.....	.....
No	.69	.08	East Crest	920	.08	.09	.08	.09
1	.05	.00½	Fabyan Pete	......	.00½	.....	.....	.....
No	.60	.14	Foothills	100	.15	.15	.15	.15
No	.18½	.02	Freehold	......	.02½	.....	.....	.....
1	.02	.00½	Great West	......	.00½	.....	.....	.....
No	.17	.03	Hargal	......	.04	.....	.....	.....
No	.10	.03½	Herron Pete	......	.03½	.....	.....	.....
No	.07½	.02	High Sarcee	2,700	.03	.04	.03	.04
No	2.00	.32	Home	220	.35	.40	.32	.40
No	.22	.00½	Homestead	100	.02½	.02½	.02½	.02½
1	1.70	.38	Homest'd O. & G.	2,000	.38	.38	.38	.38
1	.08½	.00½	Ill. Alberta	3,000	.00½	.00½	.00½	.00½
No	.70	.10½	Lowery	......	.18	.....	.....	.....
1	.05	.00½	Madison	9,000	.00½	.00½	.00½	.00½
1	.85	.15	Mayland	1,250	.15½	.17	.15	.17
No	.11	.02½	McD. Segur Ex.	......	.03	.....	.....	.....
1	.29	.01½	McD. Segur N.	......	.02½	.....	.....	.....
1	.72½	.25	McLeod	100	.27	.27	.27	.27
No	.39	.07½	Mercury	1,920	.09½	.09½	.08	.08
No	.20	.05	Merland	500	.05½	.05	.05	.05
No	.38	.08	Mill City Pete	600	.09	.09	.09	.09
1	.49	.11	Model	100	.11½	.11½	.11½	.11½
1	.18	.02	Monalta	250	.02	.07	.07	.07
1	.31	.07	Moose M.	......	.07	.....	.....	.....
1	.04	.00½	New Federal	......	.01	.....	.....	.....
No	.56	.15	Nordon	3,350	.17	.17	.16	.17
No	.11	.02½	Oil Selection	17,000	.04½	.04½	.04½	.04½
No	.28	.03½	Okalta	......	.04	.....	.....	.....
100	27.00	8.00	Do., Pref.	1	10.00	8.00	8.00	8.00
No	.22	.05	Olga Gas & Oil	500	.13½	.12	.12	.12
1	.37½	.18	Petrol Oil	2,500	.18	.20	.18	.20
No	.28	.02	Penn. Pete	1,500	.02½	.02½	.02	.02½
No	.25	.08	Ranchmen's	110	.09	.10	.10	.10
1	.05	.01½	Regent	......	.02	.....	.....	.....
No	.13	.01½	Richfield	......	.01½	.....	.....	.....
No	17.75	5.00	Royalite	156	5.75	5.50	5.00	5.00
1	.82	.21	Sarnia Oil	37,800	.22	.21½	.21	.21
1	.06½	.01	Signal Hill	3,300	.02½	.03½	.02½	.03½
No	.27	.10	South West Pete.	......	.10	.....	.....	.....
No	.60	.12	Spooner	200	.14	.12	.12	.12
No	.19	.04½	Sterling Pacific	......	.05	.....	.....	.....
.	.15	.15	Turner Basin	......	.15	.....	.....	.....
1	.16	.05	Turner Valley	......	.05	.....	.....	.....
No	.31	.06	United	150	.06	.06	.06	.06
1	.15½	.06	Vulcan	500	.08	.06	.06	.06
No	.05	.00½	Wainwell	6,500	.00⅞	.00⅞	.00½	.00½
1	.28	.08	Waite Valley	......	.08½	.....	.....	.....
			VANCOUVER STOCK EXCHANGE (Transaction for Week to September 23)					
25c	.01	.00½	Bayview	......	.00½	.....	.....	.....
20c	.07	.01	Beaver Silver	2,000	.04	.03⅞	.03	.03
25c	.02½	.00½	Bluebird	......	.01½	.....	.....	.....
25c	.70	.40	B. C. Silver	......	.40	.....	.....	.....
25c	.02	.00½	Cork Province	1,000	.00½	.01	.01	.01
1	.30	.10	Cotton Belt	17,725	.20	.30	.18	.29
1	.04	.02	Dunwell	......	.02	.....	.....	.....
1	.10	.04	Duthie	......	.04	.....	.....	.....
1	.90	.40	George Copper	1,000	.40	.40	.40	.40
50c	.05	.01	Geo. Enterprise	100	.01	.02	.02	.02
1	.05	.01½	Georgia River	1,000	.03	.03	.02½	.03
50c	.02½	.02½	Glacier	......	.02½	.....	.....	.....
10c	.01	.01	Gladstone	......	.01	.....	.....	.....
1	.45	.18	Golconda	1,500	.21½	.23	.21½	.23
50c	.07½	.03	Grandview	9,200	.04½	.05	.04	.05
No	27.50	17.00	Howe Sound	......	21.25	.....	.....	.....
1	.17½	.10	Intern. Coal	300	.12	.10	.10	.10
1	.01½	.01	Independence	......	.01	.....	.....	.....
1	.02	.01	Indian Mines	......	.01	.....	.....	.....
1	.43	.24	Jack Waite	......	.32	.....	.....	.....
25c	.02	.00½	Kootenay King	......	.00½	.....	.....	.....
25c	.00½	.00½	Lakeview	......	.00½	.....	.....	.....
25c	.02	.00½	L. & L.	......	.02	.....	.....	.....
1	.12	.12	Los Ang. Van.	......	.12	.....	.....	.....
1	.12½	.06	Lorne Gold	25,083	.10	.09	.07½	.09
10c	.03½	.01½	Lucky Jim	1,600	.02	.01½	.01½	.01½
2.50	.01	.00½	Marmot Gold	......	.01	.....	.....	.....
50c	.01	.00½	Marmot Metals	......	.00½	.....	.....	.....
25c	.00½	.00½	Mohawk	......	.00½	.....	.....	.....
1	.25	.14	Montana Mines	......	.17	.....	.....	.....
1	.05	.01	Morton Woosley	4,000	.01	.01	.01	.01
50c	.03½	.01	National Silver	10,000	.01	.01	.01	.01
50c	.09½	.03	Noble Five	20,500	.03	.03½	.03	.03½
50c	.12½	.03	Oregon Copper	......	.03	.....	.....	.....
1	2.70	1.23	Pioneer Gold, B.C.	5,450	2.40	2.40	2.15	2.30
No	.02	.00½	Premier Border	......	.00½	.....	.....	.....
50c	.09	.03	Porter Idaho	4,200	.04	.05½	.03	.05½
No	.55	.20	Reeves McDonald	175	.20	.20	.20	.20
1	.28	.11	Reno Gold	2,000	.23	.20	.20	.20
1	.04	.02	Rufus Argenta	......	.02	.....	.....	.....
1	.07	.04	Ruth Hope	......	.05	.....	.....	.....
1	.05½	.04	Silverado	......	.05½	.....	.....	.....
25c	.03	.00½	Silver Crest	......	.00½	.....	.....	.....
50c	.05	.00½	Snowflake	......	.01½	.....	.....	.....
1	.45	.25	Sunloch	......	.25	.....	.....	.....
50c	.02½	.01	Topley Rich	......	.02	.....	.....	.....
5	.20	.05	Toric	......	.05	.....	.....	.....
20c	.01	.00½	Wellington	......	.01	.....	.....	.....
1	.05	.02	Whitewater	......	.02	.....	.....	.....
No	.03½	.00½	Woodbine	2,000	.00½	.00½	.00½	.00½

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$2.50+a	3.84	Premier	12c.	22.22
Dome Mines	$1	10.25	Pioneer, B.C.	12c.	5.21
Granby	$1	....	Royalite	50c.	....
Hollinger	65c.+5	11.86	Spooner Oils	6c.	....
Howe Sound	$2	....	Sylvanite	4c.	....
Inter. Nickel	40c.	4.00	Teck Hughes	60c.	10.00
Lake Shore	$2	7.54	United Oils	5c.	....
McIntyre	$1	5.79	Wellington Oil	5c.	....
Mercury Oil	5c.	....	Wright-Har.	10+2½c.	4.29

a. Stock bonus 1 share for each 20 shares held.

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C. P. ROBERTS, C.A.
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G. S. HOLMESTED
Trustee in Bankruptcy Proceedings
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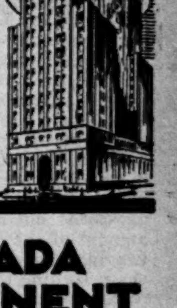
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Insurance for Buyer and Seller

60,559 RECEIVE OLD AGE PENSION IN 5 PROVINCES

Total Paid in First Quarter of Current Year $3,458,386

AVER. $49.04 MONTH

Of Total Recipients 37,869 Are Canadian-born — Further Provinces Prepare to Participate

Old age pensions paid in the five provinces of Canada in which the Dominion-Provincial system is effective, during the first quarter of the current fiscal year—April 1 to June 30—amounted to $3,458,386, of which the Dominion Government's share was $1,729,387.

The total number of pensioners as at June 30, was 60,559, of which 38,669 were in Ontario, 6,391 in Saskatchewan, 6,142 in Manitoba, 5,708 in British Columbia, 3,644 in Alberta, and 5 in the Northwest Territories. Ontario's high proportion is somewhat explained by the fact that the percentage of persons over 70 years of age to the total population is 3.48 per cent, none of the other provinces exceeding British Columbia's figure in this respect of 1.84 per cent. In relation to the population over 70 years of age the number of pensioners in Ontario is actually substantially less than in any other province, if the Northwest Territories be excepted, being represented by the percentage of 33.48. Alberta is next with 47.2 per cent, while Saskatchewan has the highest rate, 62.22 per cent of persons over 70 being pensioners.

Average $19.04 Per Month

Average monthly pension throughout the five provinces ranged from $19.04 in Alberta to $19.48 in Manitoba, Saskatchewan having an average of $19.44, British Columbia $19.13, and Ontario, $19.05. In the Northwest Territories the average for the 5 recipients was $19.84.

Analysis by countries of origin of pensioners reveals that of the total of 60,559 in the above named provinces, 37,869 were Canadian-born, the preponderance of this class being common in all provinces. English-born pensioners appear in the next largest number with 9,267, followed by Scottish- and Irish-born, with 2,934 and 2,240 respectively. Pensioners of United States origin totalled 1,806, coming fifth on the list.

Austrians, who figured largest in Saskatchewan and Manitoba, totalled 1,230, at which they were sixth on the list. Poland, which ranks seventh, supplied the third greatest number of Manitoba pensioners. Next in order, all provinces combined, are Germany, Russia, Iceland (402 pensioners out of a total of 475 Icelandic pensioners are in Manitoba), Sweden, Norway and France, there being in all 55 nationalities represented.

Limit is $365 a Year

Under the Old Age Pensions Act a pension is payable to any British subject of 70 years and upward who is not in receipt of an income of as much as $365 a year and who has resided in Canada for the 20 years preceding and has also resided in the province in which the application is made for the five years immediately preceding the granting of the pension. The maximum amount of pension payable under the act is $240 yearly. In cases where pensioners have a private income the amount of their old age pension is subject to a reduction by the amount, if any, that their private income exceeds $125 a year. The administration of old age pensions is entrusted to the authorities appointed by the respective provincial governments.

Under the provisions of the act as it was first passed the Department of Labor paid quarterly to each province one-half of the total amount of the pensions paid by the provincial pension authority during the preceding three months. At the recent session of the Dominion Parliament, however, the act was amended, the amount of the Dominion contribution being increased from fifty per cent to seventy-five per cent of the total expenditure, this amendment becoming effective on July 31, 1931.

In addition to the provinces and territories above mentioned in which the pension system is in effect, the New Brunswick Legislature passed an Old Age Pensions Act at its session last year, to become effective on its proclamation by the Lieutenant-Governor in Council; while in Nova Scotia and Prince Edward Island acts providing for the participation of these provinces in any federal scheme were passed at the session of 1931, both these acts to take effect on proclamation.

PRUDENTIAL OFFERS NEW POLICY PLAN

An entirely original feature of the "Heritage" (family income) policy recently introduced by The Prudential of England is an alternative settlement whereby the beneficiary obtains besides a monthly income a lump sum payment as well, the premiums and guarantees being identical in both forms of the policy. This alternative settlement or "combination unit," as it is called, provides a complete protection unit of cash for a clean-up fund plus a monthly income until the end of the fixed period, plus a lump sum payment at the end of the period.

The policy is issued with a 15-year fixed period and a period covering the life of the assured to age 60. In the event of death taking place within the fixed period a monthly income of $100 for each $10,000 policy is paid to the beneficiaries until the end of the fixed period when the sum assured is paid out in one sum. After the fixed period, if the assured survives, the policy is continued as a whole-life policy with the rate for the original age at entry of the assured.

By having these two plans this policy enables a prospect to provide for his family during their minority and also, if he wishes, to provide for his family during the whole period of his maximum earning power. Excess interest is allowed in addition to the guaranteed monthly payments and in an average case the excess interest will be sufficient to increase the monthly payments on the average by over 20 per cent. Thus the payments to the beneficiary represent nearly 15 per cent interest on the sum assured.

Mortality Statistics Show Heart Diseases Making Rapid Gains

Rose From 132 Per 100,000 in 1900 to 207 in 1930

TUBERCULOSIS DOWN

Medical Director Urges a Wider Research in Realm of Degenerative Diseases

Among the most striking changes in life insurance mortality statistics during the past three decades has been the steady and comparatively rapid increase in the number of deaths due to diseases of the heart, and on the other hand, an even more remarkable decrease in the toll exacted by tuberculosis.

Figures comparing the various chief causes of death were given by Dr. W. E. Thornton, medical director of the Lincoln National Life Insurance Co., Fort Wayne, Ind., in an address delivered at the annual convention of the National Fraternal Congress of America, held at Montreal last month. These statistics show that deaths due to diseases of the heart, which in 1920 accounted for 132 per 100,000 of population, have risen pretty steadily up to 207 per 100,000 in 1930. In this classification are included organic heart disease, malignancy, nephritis, which embraces uremia, and arteriosclerosis with its many manifestations, including apoplexy.

Tuberculosis Drops

The decline in the number of tuberculosis deaths reflects the great progress that has been made in medical science and the methods of fighting this dread disease. Whereas in 1900 the death rate from this cause was 200 per 100,000 of the general population, in 1930 it had fallen to 71 per 100,000, and by fairly uniform stages.

A great improvement has been effected in the great saving of infant and young lives. In fact on the whole infant mortality has been reduced 60 per cent, the death rate of children of ages one to four inclusive having declined 50 per cent, and the combined reduction in the death rates of all children, ages two to eight inclusive has been reduced 67 per cent. This vast saving of infant life has been possible by reason of the fact that the primary acute infections which were responsible for the heavy mortality of 30 years ago have been countered to an increasingly successful degree by the progress of bacteriology and an improved knowledge and practice of hygiene and sanitation. Thus the ravages of typhoid fever, small pox malaria and other infectious diseases have been greatly curbed.

A decline has also occurred in the death-toll due to pneumonia, figures showing that whereas in 1900 deaths per 100,000 population attributable to this disease, numbered 180, the experience for 1930 was only 78 per 100,000.

Nervous Diseases Gain

A striking change, somewhat affecting mortality, but of more particular significance in connection with disability, is the increase in incidence of functional nervous diseases throughout the civilized world and especially on this continent. In regard to this Dr. Thornton said:

"Some pessimists would have us believe that our racial mind-quality has undergone a eugenic deterioration. With this I do not agree. I believe the increase has been brought about by an increase in the rigour of the mind's environment. The ever increasing strain of modern competitive business, the added stress of periodic depressions, the excitement which the theatre and press think they must maintain, the emotionalism characteristic of our literature, the noise of the modern metropolis, our mania for speed, all these things crowd in upon our consciousness, each new stimulus adding its tap, until the more delicately balanced minds are hammered into an irritable disarray."

One of the characteristics of life insurance medicine, continued Dr. Thornton, is that it deals with ultimate prognosis and draws its conclusions from observations of large groups rather than that of the individual. True, each applicant is individually examined, but only to determine to which group or, rather, set of groups he belongs. Thereafter his identity dissolves in that of his group and his individual behaviour is unimportant. Therefore the standardization of all medical examinations and tests is of the utmost importance, as is the application of these standards, especially in regard to border-line cases.

Weight Important

The commonest predisposing condition is overweight. Every medical director should periodically review that section of insurance literature which deals with build, in order to fix in his mind the unalterable law that abnormal weight invariably adds to the mortality and must be compensated for by increased premiums or other means. The next most common group of impairments are those associated with the heart and circulation.

Research study in the realm of degenerative diseases, said Dr. Thornton, has been neglected, though millions have been spent, and rightly so, on preventive medicine in the infectious disease group and cancer research. A better balance was urged.

Expect P.C. Decision Announced Oct. 12

Judgment of the judicial committee of the Privy Council in regard to insurance jurisdiction in Canada, is expected to be announced in London about October 12. This will probably be the most important decision ever made affecting the fabric of insurance legislation and control in Canada and is therefore awaited with keen interest.

At least one important piece of legislation affecting insurance in Canada is dependent on this decision, namely the recent federal act to substantially raise the tax on gross deposits, premiums or deposits of foreign insurers not licensed at Ottawa. This legislation is not to be proclaimed until after the results of the Privy Council decision are known. Incidentally within the past few weeks some of the companies in this category have announced a reduction in premium deposits which will tend to reduce somewhat the burden of the tax, if as and when it is imposed.

Important Speakers Billed For Conference

Many important addresses will be heard at the Insurance Advertising Conference, convening at Toronto, Oct. 4. These include "Advertising—An Asset or a Liability?" by George H. Harris, Supervisor of Field Force, Sun Life Co., and "Advertising and Insurance" by Walter P. Burns, Bureau of Advertising, American Newspaper Publishers Association, New York.

Officers of the association which comprises publicity managers of Canadian and U. S. insurance companies, are Chauncey S. S. Miller, North British and Mercantile Co., New York, president; Lorry A. Jacobs, Southland Life Insurance Co. and Leslie F. Tillinghast, Great American Indemnity Co.. vice-presidents; Arthur H. Reddall, Equitable Life, secretary; H. H. Putnam, Boston, treasurer. This is the first time the convention has ever been held in Canada.

Convention arrangements are in the hands of the committee composed of Eustace A. Brock, Great West Life, general chairman; A. L. Cawthorn-Page, Metropolitan Life; Robert H. Pierce, Aetna Life; E. Mortin, North American Life; F. J. Price, Jr., Prudential; K. H. Mathus, Connecticut Mutual; F. S. Ennis "American Fore" Insurance Co., and J. P. Lyons, Manufacturers Life.

Licenses Issued

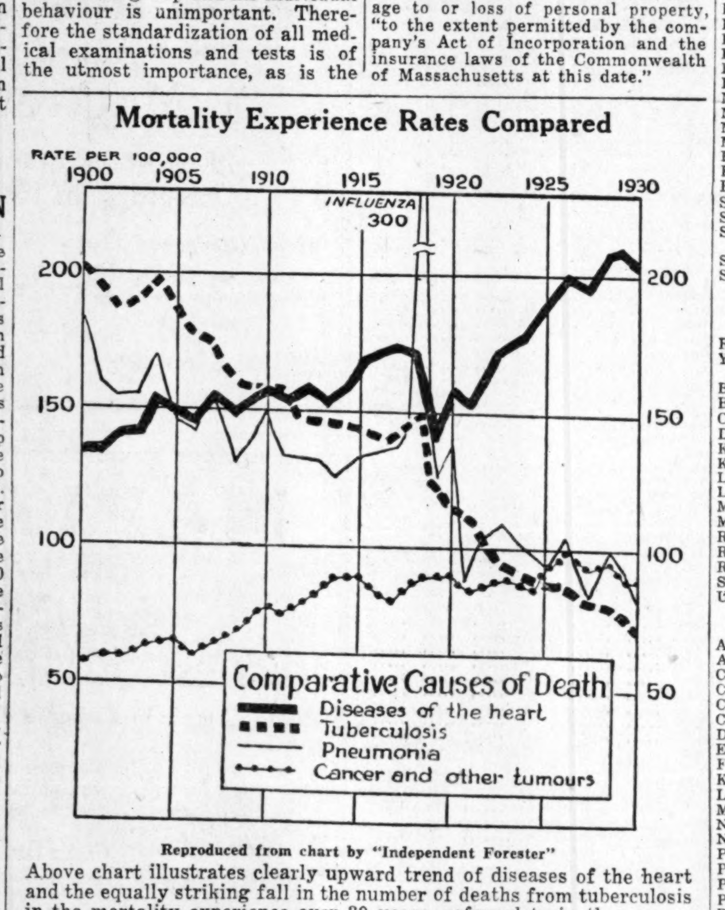
Fidelity-Phenix Fire Insurance Co. is authorized to include hail insurance and insurance against loss or damage to buildings or property caused by motor vehicles.

Indemnity Insurance Co. of North America is authorized to include forgery insurance.

Pacific-American Fire Insurance Co. has been granted a Certificate of Registration authorizing it to transact fire, sprinkler leakage and tornado insurance, and insurance against damage by explosion. Chief agent for Quebec is Charles G. Ross, Montreal.

Springfield Fire and Marine Insurance Co. is authorized to include damage to or loss of personal property, "to the extent permitted by the company's Act of Incorporation and the insurance laws of the Commonwealth of Massachusetts at this date."

Mortality Experience Rates Compared



Reproduced from chart by "Independent Forester"

Above chart illustrates clearly upward trend of diseases of the heart and the equally striking fall in the number of deaths from tuberculosis in the mortality experience over 30 years, referred to in the accompanying article. Chart is reproduced by The Financial Post from data supplied by Independent Forester.

Solving Life Insurance Queries

(A problem submitted by Mutual Relief Life Insurance Co. to its agents, and the best solution thereto, submitted by A. J. Watts, Toronto Branch.)

A young man, age 38, has recently been made junior partner in the Builders' Supply business. His capacity as office manager entitles him to an annual income of $3,500. He has a son aged 10 years and two daughters age 13 and 14. The older girl has entered high school in preparation for a high school teacher's certificate. Steps have been taken to enter the boy in a boys' school in another city within the year. The family is living in a home acquired through the terms of a will which is mortgaged for $4,000.

The father carries $5,000 whole life insurance with disability clause. He owns an equity in the business to the extent of $1,800. As an extra obligation he is contributing equally with his brother to the support of his invalid mother living with a sister in another city. Outline for him a programme for improving the condition of his estate and increasing his life insurance covering.

"In addition to the $5,000 whole life insurance with disability clauses on which we may assume the premium is approximately $125, I would recommend the following plan:

$10,000, 10 Year Convertible Term—premium ...	$144.00
$ 4,000, 10 Year Convertible Term (To Cover Mortgage on House—premium	56.00
$5,000, Whole Life (already held)—premium	125.00
Total premium outlay	$325.00

"The above insurance to be paid for from income exclusive of earnings from equity in business. Would also suggest that his profits from business or a portion thereof, be used to pay the premiums on a long term endowment policy for the approximate value of his equity in business, with a view of retiring his equity later in life. In the event of early death the proceeds from this policy to be used as a clean up fund.

"I would recommend that the $10,000 term insurance be issued in four policies for $2,500 and that each be converted to whole life, or other suitable form of policy, as soon as possible. (In the event of the death of his mother, conversion could perhaps be arranged immediately.) I would also recommend that the disability benefit be added to the first two policies to be converted, increasing his disability benefit to $100.

"A trust fund should be set up from the proceeds of the $5,000 policy he now has, and the $10,000 suggested. (The mortgage and last expenses would be paid from other policies as suggested.)

"From moneys derived from trust fund a monthly payment to be made to the invalid mother as long as she may live. I would suggest $20.00 per month. It would also be advisable to permit a small portion of the trust fund to be used to educate the children; the amount to be left to the discretion of the trust company and executors. With the latter two exceptions the widow to receive the income for life from the trust fund, which would be divided equally among the three children at her death.

"I would suggest that a continuous monthly income for the wife be added to the above as soon as possible. This might not be possible until after the children's education is completed."

Canada Census, 1931

Preliminary returns of the seventh census in Canada, as reported by the Dominion Statistician, show population in cities and towns as of June 1, 1931, compared with 1921 census figures, with percentage increase or decrease. Figures for 1931 subject to revision.

POPULATION OF CANADA
(Preliminary Figures)

	1931	1921	Incr.* %
NOVA SCOTIA			
Towns:			
Amherst	7,406	9,998	—25.93
Springhill	6,345	5,681	11.69
Sydney Mines	7,759	8,327	— 6.82
NEW BRUNSWICK			
Towns:			
Edmunston	6,423	4,035	59.18
Marysville	1,512	1,614	— 6.32
QUEBEC			
Cities:			
Quebec	129,103	95,193	35.62
Three Rivers	35,197	22,367	57.36
Verdun	60,378	25,001	141.50
Towns:			
Aylmer	2,930	2,970	— 1.35
Cookshire	958	950	0.84
Drummondville	6,626	2,852	132.33
East Angus	3,561	3,802	— 6.34
Nicolet	2,873	2,342	22.67
Ste. Agathe des Monts	2,958	2,812	5.19
ONTARIO			
Cities:			
East Windsor	14,241	5,870	142.61
Fort William	26,075	20,541	26.94
Galt	13,571	13,216	2.69
Guelph	21,068	18,128	16.22
Kitchener	30,261	21,763	39.05
North Bay	15,478	10,692	44.76
Oshawa	23,365	11,940	95.69
Windsor	62,957	38,591	63.14
Woodstock	11,391	9,935	14.66
Towns:			
Almonte	2,412	2,426	— 0.58
Arnprior	4,003	4,077	— 1.82
Bonfield	492	421	16.86
Brampton	5,524	4,527	22.02
Brockville	9,682	10,043	— 3.59
Cache Bay	1,156	926	24.84
Carleton Place	4,086	3,841	6.38
Copper Cliff	3,147	2,597	21.18
Eastview	6,670	5,324	25.28
Gananoque	3,590	3,604	— 0.39
La Salle	703	...	....
Leamington	4,898	3,675	33.28
Mattawa	1,616	1,462	10.53
Perth	4,097	3,790	8.10
Rainy River	1,399	1,444	— 3.12
Renfrew	5,289	4,906	7.81
Riverside	4,426	1,155	283.20
Rockland	2,103	3,496	—39.85
St. Mary's	3,792	3,847	— 1.43
Simcoe	5,208	3,953	31.75
Sioux Lookout	2,081	1,127	84.65
Smiths Falls	7,089	6,790	4.40
Sturgeon Falls	4,231	4,125	2.57
Uxbridge	1,336	1,456	— 8.24
Walkerville	10,074	7,059	42.71
Whitby	5,053	2,800	80.46

MONTREAL ISLAND

Districts, Cities, & Towns.	Population 1931	1921	Incr. over 1921 %
Districts:			
Cartier	47,519	48,869	*2.8
Hochelaga	86,671	67,836	27.8
Jacques Cartier	132,105	70,856	86.4
Laurier-Outremont	87,120	67,682	28.7
Maisonneuve	116,526	65,646	77.5
Mount Royal	90,756	39,487	129.8
St. Ann	60,327	54,834	10.0
St. Antoine	35,248	33,338	5.7
St. Denis	139,848	75,475	85.3
St. Henri	43,769	44,372	*1.4
St. James	53,714	54,741	*1.9
St. Lawrence-St. George	37,264	37,688	*1.1
St. Mary	65,270	63,381	3.0
Cities:			
Lachine	18,642	15,404	21.0
Montreal	810,923	618,506	31.1
Outremont	27,782	13,249	109.7
Verdun	60,378	25,001	141.5
Westmount	23,267	17,593	32.2
Towns:			
Baie d'Urfe	236	172	37.2
Beaconsfield	900	578	55.7
Dorval	2,198	1,466	49.9
Hampstead	580	53	994.3
Ile Dorval	72	59	22.0
La Salle	2,408	726	231.7
Montreal E.	2,242	1,776	26.2
Montreal N.	4,715	1,360	246.7
Montreal W.-O	3,158	1,882	67.8
Mount Royal	2,137	160	1235.6
Pointe aux Trembles	3,123	1,764	77.0
Pointe Claire	4,872	2,617	86.2
Roxboro	25	23	8.7
Ste. Anne de Bellevue	2,404	2,212	8.7
St. Laurent	5,349	3,232	65.5
St. Leonard de Fort Maurice	461	462	0.2
St. Michel	1,529	493	210.1
St. Pierre	4,178	3,535	18.2

*Decrease.

	1931	1921	Incr.* %
SASKATCHEWAN			
Cities:			
Regina	53,034	34,432	54.03
Yorkton	5,012	5,151	— 2.70
Towns:			
Battleford	1,092	1,229	—11.15
Biggar	2,358	1,535	53.62
Canora	1,177	1,230	4.31
Duck Lake	538	437	23.11
Kamsack	2,085	2,002	4.15
Kerrobert	861	788	9.26
Lanigan	386	426	— 9.39
Lloydminster (pt.)	968	469	106.40
Melfort	1,797	1,746	2.92
Morse	442	559	—20.93
Radisson	359	431	—16.71
Rosetown	1,548	865	78.96
Rosthern	1,408	1,074	31.10
Sutherland	1,146	961	19.25
Unity	805	611	31.75
BRITISH COLUMBIA			
Cities:			
Alberni	701	998	—29.76
Armstrong	964	983	— 1.93
Chilliwack	2,431	1,767	37.58
Courtenay	1,210	810	49.38
Cranbrook	3,044	2,725	11.71
Cumberland	2,300	3,176	—27.58
Duncan	1,752	1,178	48.73
Enderby	547	783	—30.14
Fernie	2,718	4,343	—37.42
Kaslo	507	950	—46.63
Ladysmith	1,429	1,967	—27.35
Merritt	1,256	1,721	—27.02
Nanaimo	6,648	8,877	—25.11
Nelson	5,931	5,230	13.40
Port Alberni	2,340	1,056	121.59
Port Coquitlam	1,308	2,148	—39.11
Port Moody	1,244	1,030	20.78
Prince George	2,449	2,053	19.29
Revelstoke	2,683	2,782	— 3.56
Rossland	2,856	2,097	36.19
Salmon Arm	834	627	33.01
Trail	7,521	3,020	149.04
ALBERTA			
Towns:			
Beverley	1,112	1,039	7.03
Big Valley	447	1,057	—57.71
Brooks	705	499	41.28
Camrose	2,235	1,892	18.13
Castor	635	710	—10.56
Coleman	1,703	1,590	7.11
Daysland	408	441	— 7.48
Gleichen	511	668	—23.50
High River	1,452	1,198	21.20
Lloydminster (pt)	549	286	91.96
Morinville	570	460	23.91
Okotoks	757	448	68.97
St. Albert	824	800	3.00
Staveley	301	292	3.08
Stettler	1,219	1,416	—13.91
Stony Plain	490	360	36.11
Strathmore	516	584	—11.64
Taber	1,279	1,705	—24.99
Tofield	496	500	— 0.80
MANITOBA			
City:			
St. Boniface	16,224	12,821	26.54
Towns:			
Beausejour	1,138	994	14.49
Carman	1,395	1,591	—12.32
Neepawa	1,904	1,887	0.90
Transcona	5,738	4,185	37.11

MANITOBA IS DUE TO HOLD ELECTION; DEADLOCK IS SEEN

Redistribution Plan May Lead to Non-Party Government

From Our Own Correspondent

WINNIPEG.—Manitoba is due to have a general provincial election either this year or in 1932. If another session of the legislature is held, a matter which is still in doubt, a redistribution of seats is to be effected, and a committee of the legislature, sitting between sessions, is to present recommendations to that end. The outcome of the elections, decidedly uncertain before, will be still more uncertain if redistribution proposals recently made by Attorney-General Major are put into effect. These are that the membership of the house should be cut down from 55 to 35, that there should be only four single member constituencies; that the City of Winnipeg should elect 7 members instead of 9 as at present, or one-fifth of the legislature instead of about one-sixth as at present (its population being about one-half of that of the province, and that there should be eight rural constituencies only, each electing three members under the proportional representation plan by means of the single transferable vote.

Is Personal Government

Premier Bracken's Government is at the present time very much a personal government, for while originally formed as the result of forming a farmers' party, partly based on the United Farmers of Manitoba and partly on the Federal Progressive Party, there now exists no formal organization behind it outside of the legislature. The Conservative party is in direct opposition, and the Liberal party has varied from a position of informal alliance to that of more or less active criticism. But all efforts to bring about a formal alliance failed, and the Liberal party had decided to go into the next election with the intent of capturing the province on its own account. The Government's chances of surviving an election had been considered rather doubtful, because of the lack of organization, because of general conditions likely to be adverse to a Government at this time, and because of some definite sources of dissatisfaction. Chances would rather have favored the Conservative party as successors, unless a certain amount of resentment against the Federal Government could be turned against the provincial Conservatives. That party is better organized provincially than is the Liberal party, but the latter also saw a chance of success based upon combined dissatisfaction with the Provincial and with the Federal Government.

See No Majority

But the proposals for redistribution change matters entirely, and would seem to make it equally impossible for either a Conservative or a Liberal Government to replace the present administration, and also for the present administration as such to succeed, although it might be followed by a reorganized government, headed either by Premier Bracken or by some one else who might succeed in forming a provincial administration with general support. The eight rural constituencies proposed, under proportional representation would be likely to return each a government supporter, a Liberal and a Conservative, with chances against any one of the parties obtaining more than eight supporters from the country, Winnipeg would give two Labor, two Conservatives and two Liberals, with the seventh seat to be determined. Out of the four single member constituencies the Conservatives might well secure two, from Brandon and Portage la Prairie, with chances rather favoring the Government in the two northern unorganized districts.

The redistribution proposals may have a hard time getting through the House. Both Conservatives and Liberals will see in them a proposal by which their hopes of obtaining control of the administration are effectually destroyed. For most of the government supporters, and probably too for some of the Cabinet adopting the proposals means political suicide. In fact there is no one in the legislature, except the premier himself and possibly one or two of his cabinet whose political fortunes can be advanced by adopting them. If they are adopted the premier might be expected to reconstruct his cabinet before dissolution, to correspond with what he would expect it to be after the election. On the other hand if they seem likely to be rejected the premier might still reform the cabinet, and use as the base of his appeal securing a new and more economical administrative structure for the province, from which Dominion political parties would be definitely excluded. A third possibility is that the premier, considering it impossible to effect the planned redistribution before an election will not call the legislature together again, but will call an election, after first making some considerable reconstruction of his cabinet.

Whenever the election comes some considerable changes in the cabinet, are very likely, enough to indicate that it is not the old government appealing for a new lease of life, but a reconstructed government under Premier Bracken's leadership, attempting to meet new problems in a new way.

Calgary L. U. A. Elects Officers

Frank C. Lowe has been elected president of the Calgary Life Underwriters' Association, succeeding J. W. Beacock. Other officers elected are as follows: W. A. Fleming, vice-president, and H. G. Charman, secretary-treasurer, while members of the executive include J. A. Macleod, R. B. Hood, S. G. Baggs, H. M. McElroy, J. A. Mather, and W. S. Armstrong.

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GLASS MAKING DROPS 21 PER CENT IN 1930

Production from the glass industry in Canada during 1930, valued at $12,191,752, showed a decline of 21 per cent from the record for the industry established in the previous year at $15,507,442, which in turn was 11 per cent above the figure for 1928.

According to the Dominion Bureau of statistics at Ottawa the 62 plants engaged in producing or working in glass products reported a working capital of $15,962,392 and afforded employment to a monthly average of 3,388 people who received $4,204,566 as salaries or wages. Their purchased materials cost $4,213,885 and the values added by manufacturing processes amounted to $7,977,867.

By far the greater proportion of the total production value was accounted for by the pressed and blown glass section, represented by seven plants, out of the 62, two of which were located in Quebec, three in Ontario, and one each in Alberta and Manitoba. The value of the output was $8,673,064 as against $11,197,338 in 1929 and $9,466,382 in 1928.

Production by the 55 cutting, bevelling, and glass-working plants totalled $3,518,688, compared with $4,310,104 in 1929 and $4,098,972 in 1928. This section includes plants working in leaded-glass, mirrors, lenses, cut-glass and so forth.

Imports of glass and glassware into Canada during the calendar year 1930 were valued at $8,284,741, a decline of 22 per cent from the $10,569,457 worth imported in the previous year, while exports advanced from $100,507 to $150,759.

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Current Events in the Banking World

GOLD RESERVE AMPLY COVERS DOMINION NOTES

Canadian Currency Has Highest Gold Backing in World

How much gold could Canada afford to lose before she would be finally off the gold standard?

This, perhaps, is a theoretical question, for once a country ceases to export gold freely in response to a decline in its exchange rate below the "gold point," that country automatically drops from the gold standard, whether her supplies of gold are ample or not. This Canada has done, and to that extent she is already off the gold standard, but she still has plenty of gold in the country to cover her statutory requirements and is receiving gold from Canadian mines at the rate of about $1,000,000 a month, so that her tacit agreement with banks not to export gold is more than a precautionary measure than anything else. As a matter of fact Canadian currency has a higher gold backing than perhaps any other country in the world.

Two Gold Reserves

Nevertheless, the question of how much gold is in the country is of interest, but is complicated by the fact that there is no central reserve authority in Canada which controls the country's gold reserves. In Canada there is the Department of Finance, which holds sufficient gold to cover the country's requirements of note issue, and then there are the individual banks which hold only a small amount of gold, since it is more profitable to hold Dominion notes which are equivalent in value (in theory) to the yellow metal.

The actual gold holdings of Canadian banks are not available but are lumped with "Current Gold and Subsidiary Coin," the total of which at the end of August amounted to $70,000,000, of which $47,500,000 was in Canada and the remainder "elsewhere." Practically all this can be considered as gold as only a small amount of silver is held. In addition banks currently hold $13,000,000 in the central gold reserves. These two items together form about 4 per cent of the banks liabilities to the public. Then also, the Dominion Government at that date held $71,600,000 of gold as the statutory gold requirement against Dominion notes in circulation, and in addition had a surplus of gold on hand of $969,800, which is the official government "buffer" against a raid on the gold stocks of the country.

How Reserve Fixed

The way in which the government statutory gold reserve requirement is arrived at is as follows: In the first place, under the Dominion Notes Act, 1914, $50,000,000 of Dominion notes were issued against a 25 per cent ($12,500,000) reserve; over this amount all notes issued must have a dollar for dollar reserve in gold.

Subsequently, by the Dominion Notes Act, 1915, an issue of $16,000,000 of Dominion notes, secured by railroad securities, was made and loaned to the trans-continental railways under construction. The same act permitted $10,000,000 of Dominion notes to be issued and used for general governmental purposes.

Then the Finance Act of 1923 authorized, in addition to the above, the issue of Dominion notes against acceptable securities up to any amount. As at August 31, notes outstanding in this way amounted to $6,500,000.

The total of Dominion notes in circulation as at August 31 was $141,615,347, made up as follows: $109,115,347 under the 1914 Act; $26,000,000 under the 1915 Act; and $6,500,000 under the Finance Act. The gold reserve is composed of $12,500,000 as representing 25 per cent of the first $50,000,000 notes issued, plus the balance of the $109,115,347, namely, $59,115,347 for which a dollar gold reserve is required, making a total of gold held by the Minister of Finance against Dominion notes outstanding of approximately $71,600,000.

Gold held by the Minister of Finance against Dominion notes outstanding, from 1927-31 was as follows:

Gold held by the Minister of Finance against Dominion notes outstanding 1927-31 (in millions of dollars)

	1927	1928	1929	1930	1931
January ...	93	96	59	63	75.5
February ..	93	91	59	63	77.7
March	98	93	58	63	80.8
April	101	95	59	64	83.2
May	104	97	59	65	78.8
June	106	81	59	66	70.5
July	104	75	59	77	68.4
August	106	77	60	88	71.6
September .	109	82	60	93	....
October ...	112	84	60	105	....
November .	135	109	60	112	....
December ..	128	90	60	94	....

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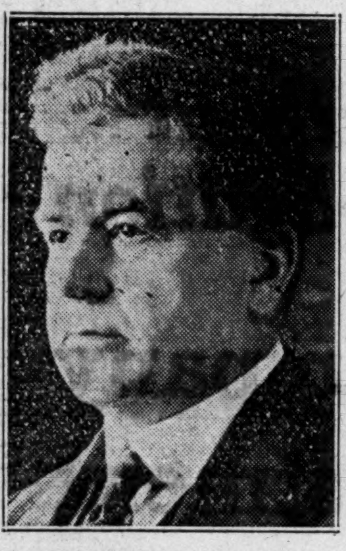
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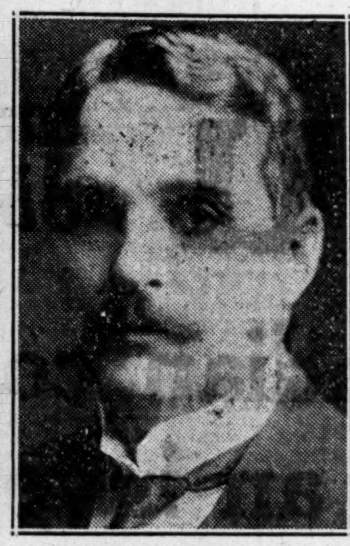
D. FORBES ANGUS.

DR. D. A. HINGSTON.

M. A. PHELAN, K.C.

Messrs. Tilley and Angus have been appointed to the board of Royal Trust Company. Mr. Tilley is a director of C. P. R. and a leading Toronto lawyer. Mr. Angus is president of the Standard Life. Both are directors of the Bank of Montreal.

Mr. Phelan has joined the board of Montreal City and District Savings Bank. He is a director of North American Life and member of a Montreal legal firm. Dr. Hingston, a Montreal surgeon, long on the board of the bank, has been named vice-president.

Managers Can Economize If Care is Exercised

Careful Check-up of Branch Usually Reveals Many Opportunities to Save — Janitors Should Also be Carpenters

By C. PAYELL

When extensions to bank buildings are mooted or it is suggested that existing offices are unsuitable for requirements, the possibility of remedying the deficiencies by the installation of labor-saving systems and machines is always worthy of careful consideration. A review of the location of desks and office equipment, the addition of auxiliary cash drawers to relieve pressure at peak hours, combined with the aptitude of using all available hands for service at the counter may relieve a congested situation and transform what were considered intolerable conditions into smoothly working machinery without involving large capital expenditures.

Where the situation cannot be relieved in the manner indicated and it is deemed necessary to extend the premises or to construct new buildings, existing fixtures and furniture become inadequate but this should not invariably entail the scrapping of valuable materials and their replacement by entirely new equipment. Wherever possible, furniture should match the existing fixtures, but if certain pieces in use are of a predominant color, odd ones can still be utilized in inconspicuous parts of an office and in some cases, no doubt, the furniture can be refinished to match the prevailing tone. Sacrificing valuable material for the satisfaction of obtaining a uniform color scheme is not usually warranted.

The banks have found, in transferring managers from one branch to another, a marked tendency to incur unnecessary expenditures. Conditions which formerly were found satisfactory suddenly become apparently intolerable and are capable of being remedied only by the office being transformed, added to or rebuilt immediately.

Economies are readily effected where managers are impressed with the need of recommending only expenditures that are absolutely necessary for the proper maintenance of their buildings, and although it may be difficult sometimes to distinguish between essentials and non-essentials, the use of ordinary common sense usually decides the question.

Many small savings can be effected if janitors and messengers, before engagement, are required to possess an ability to do odd carpentry and painting jobs.

MANY COUNTRIES FOLLOW BRITAIN AWAY FROM GOLD

At Least Seven Countries Make Decision in Past Week

. Action taken by various world countries for or against the gold standard has been the most important development since Great Britain went off the gold standard last week. Any compilation is liable to change without notice but at least seven countries have followed Britain's leads while at least two important countries, namely Germany and Italy have stated their intention of sticking closely to the gold standard no matter what happens to the British pound.

The seven countries to abandon gold in one way or another are: Norway, Sweden, India, Ireland and Portugal, Egypt and Denmark. In addition, in Greece, the Bank of Greece has been vested with complete control of orders for the purchase or sale of gold coin and foreign currency.

Leading countries still on a free gold basis are: United States, France, Italy, Holland, Poland, Czechoslovakia, Belgium and Japan.

Gold Movement Heavy

Gold movement throughout the world has been heavy in the last two weeks, most of it being a transfer of funds from the two leading gold countries, namely France and the United States, to smaller countries still on the gold standard and who are desirous of increasing their stocks of gold, by "earmarking" gold in either of the two abovementioned countries.

Brazil has adopted the dollar instead of the pound sterling as the basis for exchange. A minimum rate of 16 milreis 100 reis to the dollar was adopted. The change was made after a meeting of local and foreign bankers and the director of the department of currency and exchange of the Bank of Brazil.

As far as South Africa is concerned there will be no change made in the exchange rates between "gold-based" South Africa and "sterling-based" Great Britain, for a time at least.

The representatives of the large commercial banks and the Reserve Bank of South Africa held an important conference here today and it was decided that until further notice, which may be expected within a few days, the exchange rates will not be altered.

Measures have been taken to prevent any movement for withdrawal of South African funds from London.

Bank Chat

M. ARTHUR PHELAN, K.C., has been elected to the directorate of the Montreal City and District Savings Bank, in succession to the late Rt. Hon. J. C. Doherty.

W. J. SCHAEFER, formerly of the Meaford branch of the Bank of Toronto has been transferred to the staff of the Kingston branch.

JOHN McMILLAN, formerly assistant manager at Toronto of the Dominion Bank has been appointed acting manager at Brantford, Ont.

Weekly Bank Clearings

Eastern Cities

	Sept. 25, 1930	Sept. 24, 1931
Halifax	$ 3,945,859	$ 2,656,437
Saint John	2,345,451	2,314,501
Sherbrooke	720,176	648,243
Quebec	5,650,168	4,532,488
Ottawa	6,322,486	5,665,362
Montreal	108,035,300	100,046,614
Kingston	809,951	688,854
Peterboro	916,234	803,381
Toronto	111,196,032	86,309,302
Hamilton	5,648,118	4,567,384
Kitchener	1,158,444	923,666
Brantford	964,436	848,457
London	2,935,383	2,307,087
Chatham	554,190	388,825
Windsor	3,104,791	2,321,741
Sarnia	644,316	424,777
Sudbury	1,028,889	619,571
Moncton	978,049	710,010

Western Cities

	Sept. 25, 1930	Sept. 24, 1931
Fort William	$ 807,905	$ 595,227
Winnipeg	59,070,916	42,730,653
Brandon	566,917	405,376
Regina	6,500,435	3,485,658
Moose Jaw	1,169,904	618,277
Saskatoon	2,658,186	1,608,971
Prince Albert ...	542,571	319,918
Edmonton	4,192,333	3,999,397
Calgary	8,985,311	5,012,760
Medicine Hat ...	357,770	249,702
Lethbridge	525,871	354,598
Vancouver	13,956,593	13,648,590
New Westminster	861,137	484,186
Victoria	1,334,195	1,616,251

Lake Superior Revenue Higher for Past Year; Algoma Steel Profits Off

Drastic Capital Cut Feature of Last Report

PARES SHARE VALUES

Common Stock Carried at $9,406,490 Compared With $32,943,489 in 1930

From Our Own Correspondent

MONTREAL.—Report of Lake Superior Corp. for the fiscal year ended June 30, 1931, shows a slight increase in income which totalled $397,687 compared with $389,292 in the previous year. After deduction of bond interest and general expenses there remained a net income of $59,925 as opposed to $13,411 in 1930. Earnings on the 400,000 shares of no par common stock were 1.49 cents a share compared with .03 cents a share in the previous period.

Though profits of its main operating subsidiary, Algoma Steel Corp. showed a marked reduction last year, income of Lake Superior was increased by higher revenue received from interest on bank and other accounts while general expenses were lower.

Income Account Figures

Following is a comparison of income accounts for the past three years ended June 30:

	1930-31 $	1929-30 $	1928-29 $
Int., div., etc. ..	397,687	389,292	354,092
Bond int.	263,900	263,900	263,900
Balance	133,787	125,392	90,192
Gen. exp.	73,862	111,981	84,603
Net inc.	59,925	13,411	5,589

Working Capital Lower

The balance sheet reveals working capital of $712,953 down from $2,315,072 at the end of the previous year. The reduction was due to a wide decline in current assets since a former temporary loan of $2,000,000 has been eliminated.

Cash at $73,210 compares with $236,514. Temporary investments total $526,793 compared with $41,650 and accounts receivable are virtually unchanged at $54,708. Accrued interest on bonds, investments and loans is higher by $24,000 at $67,893 while there is also a demand loan of $30,000 outstanding.

Revaluation of Holdings

The stocks and bonds of subsidiary companies held reflects the changes which have occurred through the plan of reorganization. At readjusted values these holdings are given a valuation of $13,439,307 compared with $36,218,801 shown in the previous balance sheet.

Holdings in Algoma Steel Corp. have been pared from a total of $30,800,000 to $13,439,306. Lake Superior now holds 99,992 common shares of Algoma Steel and 66,666 2/3 shares of preferred valued at $7,639,306, and $5,800,000 of 5 per cent purchase money bonds. This compares with $15,000,000 of common and $10,000,000 of preferred held previously.

Total Assets Are Cut

Securities of Algoma Central and Hudson Bay Railway Co. and British America Express Co. do not appear in the last balance sheet while investment in Northern Ontario Lands Corp. is still carried at $1 though Lake Superior now owns 17,778 2/3 shares compared with 20,000 shares held previously.

Other assets include mining properties which are practically unchanged at $16,144 while the balance due by Algoma Steel Corp. is carried at $833,333. Total assets amount to $15,070,516 compared with $38,632,976 at the end of June, 1930.

Redeem More Bonds

In liabilities, funded debt has been reduced through the redemption of $36,500 of income bonds leaving $80,000 outstanding, in addition to the $5,278,000 of first mortgage and collateral trust bonds. Current liabilities are lower by $5,000 at $39,654 while suspense account is higher by $16,000 at $266,371. The main item in this account is the unapplied proceeds of sale of securities of Algoma Eastern Railway totalling $200,000.

Changes in Capital

It is in the valuation of capital that the major change is revealed. The 400,000 shares of no par common stock of Lake Superior are now carried at $9,406,490 compared with $32,943,489 at the end of the previous year.

The amount written off was $23,596,924; details of these changes involved in the scheme of rearrangement with the bondholders of the Railway and Terminals Co. are as follows:

Capital, as per June 30, 1930 ..	$32,943,489
Add net inc. past year	59,925
	33,003,415
Deduct:	
Res. for prop. exp. of committee in connection with scheme of arrangement	50,000
Charges in connection with retirement of income bonds	4,000
Loss of investment in stock of B.A. Express Co., due to liquidation	97,057
Loss on sales of common stock of Algoma Steel Corp. to directors	900
	151,957
Transfer of investments and cash in connection with scheme of arrangement:	
One-third of proceeds from sale of Algoma Eastern Rail. Co.	733,333
One-third share holdings in N. Ont. Lands Corp.	11,113
One-third shares of Algoma Steel Corp.:	
Common	4,999,600
Preferred	3,333,333
2nd mort. bonds A.C. & H.B. Railway Co.	318,800
	9,396,180
Inv. write-off in connection with arrangement:	
Common stock A.C. & H.B. Rail. Co.	5,000,000
Value of inv. in subs. written down:	
Algoma Steel Corp.:	
Par value of stock	16,665,866
Readjusted values	7,639,306
Amount write-off	9,026,559
N. O. Lands Corp.:	
Book value	22,227
Nominal value	1
Amount write-off	22,226
....	9,048,786
	23,596,924
Capital as per balance sheet of June 30, 1931	9,406,490

The annual report of Lake Superior Corp. carries a pro forma balance sheet of Algoma Consolidated Corp. at June 30, 1931, as it will appear after giving effect to the scheme of arrangement whereby it acquires Lake Superior Corp.

The major item in total assets of $17,092,550 is the 400,000 shares of Lake Superior common stock valued at $9,447,010. Algoma Consolidated will also hold 49,996 shares of Algoma Steel preferred and 33,333 1/3 shares of common which are given a value of $3,819,653.

Algoma Central and Hudson Bay Railway Co. first mortgage income debenture stock or bonds total $3,092,550 while the $318,800 of 6 per cent second mortgage bonds and 214,585 shares of voting trust certificates are both given the nominal value of $1 each.

Investments Account

Temporary investments are $290,696, accounts receivable $25,970, while the balance due by Algoma Steel Corp. amounts to $416,666. The company's holdings of 8,889 1/3 shares of Northern Ontario Lands Corp. are carried at $1.

Liabilities comprise $3,092,550 of 5 per cent debenture stock or bonds; 400,000 shares of $5 par value preferred and 600,000 shares of no par common stock.

Sweepstake Craze Grips Newfoundland

From Our Own Correspondent

ST. JOHN'S.—There has been an extraordinary growth of sweepstakes in Newfoundland within the past year. Beginning with the army and navy veterans sweep, which was organized to aid the work of assisting the dependents of Newfoundland veterans of the great war, it has grown in numbers to some nine sweepstakes at the present, all ostensibly aimed to aid hospitals or other Newfoundland charitable institutions. One group is admitted by the chairman of the government board of health to have been formed to aid the government charities department.

The arguments advanced in favor of these sweeps are unanswerable. They provide funds for needy charities functioning in the country, they give employment, and as the great bulk of the tickets are sold outside the country it "takes no skin" off the backs of Newfoundlanders. The obvious fact that the promoters are making excellent returns for themselves is not deemed a factor of great importance.

Ink Making Figures Revealed

Twenty-two firms in Canada during 1930 manufactured ink, their output having a value of $2,559,000. Printing and lithographic inks accounted for $2,265,691 of the total and the balance was the value of the manufacture of writing inks, typewriter ribbons, stamp pads, carbon paper and similar commodities.

ALGOMA STEEL PROFIT REDUCED TO LOW FIGURE

Adverse Conditions in Steel Industry Hit Earnings

From Our Own Correspondent

MONTREAL.—Net earnings of Algoma Steel Corp., subsidiary of Lake Superior Corp. in the fiscal year ended June 30, 1931, amounted to $148,099 compared with $2,823,482 in the previous year. After all charges there remained a net deficit of $990,095 compared with a profit of $751,559 in 1930.

It is pointed out that in addition to the prevailing adverse circumstances which prevented the steel plant from operating to greater advantage, operations in the rail mill were suspended completely for some time while alterations to permit the manufacture of heavier types of rails now being used were taking place.

Profit and Loss

Following is a comparison of profit and loss figures for the past three years:

	1930-31 $	1929-30 $	1928-29 $
N. O. earn.	148,099	2,823,482	3,494,366
Inter. etc. ..	1,138,195	1,120,294	1,201,783
Balance	990,096	1,703,188	2,292,583
Oth. inc. ...	......	48,371	......
Net profit ..	d990,096	1,751,559	2,298,583
Deprec.	......	1,000,000	1,185,500
Balance	d990,096	751,559	1,107,083
‡Approp. ..	......	......	1,104,500
Balance	d990,096	751,559	2,583
Pre. debit .	a2,282,949	2,936,572	*2,939,155
Deb. bal. ..	3,273,045	2,185,018	2,936,572
Adjust.	......	81,448	......
N. D. bal. ..	3,273,045	2,266,461	2,926,572

d—Debit balance.
a—Including provision for previous year's income tax $16,489.
‡—Including: (a) to write-off investment in Lands Corp. in Michipicoten $4,500; (b) to increase reserve for rebuilding furnaces in No. 1 open hearth $100,000; and (c) to set up general depreciation for the year ending June 30, 1939, $1,000,000.
*—Including adjustment of income applicable to prior years $200,000.

Working Capital Drops

Working capital as shown by the balance sheet at June 30, 1931 was $2,415,512; at the end of the previous year it had totalled $4,851,547. Materials on hand at $3,731,007 are lower by $1,190,000 while accounts receivable have declined from $1,375,677 to $839,903. Cash is slightly higher at $36,459, and products on hand at $958,528 are lower by $100,000.

Property account totals $40,357,243 up from $39,183,484 reflecting the additions to plant undertaken last year. Suspense account shows a reduction at $60,685 compared with $270,472 and profit and loss debit now totals $3,273,045.

Accounts Payable Lower

In liabilities accounts payable are lower by $600,000 at $1,143,951. Secured advances from Lake Superior Corp. makes its first appearance at $833,333 and similar advances from Algoma Consolidated Corp. total $416,666. Bank loans at $553,000 are higher by $344,000.

Capital stock is unchanged. First mortgage bonds outstanding total $14,341,453 compared with $14,858,780 and depreciation reserve has been increased by $119,000 to $2,361,948.

Report to Shareholders

In the report to shareholders, directors said in part:

"Tonnage figures compare with the previous year as follows:

	1929-30	1930-31
Coal imported	1,051,507	335,395
Ore imported	649,239	248,501
Limestone produced	248,043	114,476
Coke produced	637,970	337,497
Pig iron produced .	326,787	167,687
Steel ingots prod. .	342,541	206,932
Steel products	262,474	145,840

Production of steel ingots shows a decrease of over 39 per cent compared with the previous year. Rail production for the year was 91,544 tons, compared with 190,782 last year. The large decrease in tonnage reduced the rail mill operation to 39 double turns of 8 hours, 80 single turns of 12 hours, and 51 single turns of 10 hours. The 18 in. and 12 in. merchant mills produced during the year 51,497 tons, as compared with 64,634 the previous year. Pig iron shipments for the year were 56,256 tons, a reduction of 27,300 tons under last year. Coke shipments were 128,911 tons, a decrease of over 50 per cent compared with last year. The benzol plant operated throughout the year on a reduced basis, producing 1,090,395 gallons of motor benzol, as compared with 2,131,419 gallons last year.

Sales Off 44 Per Cent

"Sales for the year were $3,965,618, a decrease from previous year of 44 per cent, the reduction being due to a falling off in the sales of all products.

The new 28 in. rail mill was installed during the year at a cost of approximately $1,250,000 and put in operation February 16th. This mill enabled the company to supply the heavier rails required by the Canadian railways.

"Coal and ore stocks at the close of the fiscal year were low. Receipts of coal from the opening of navigation to June 30 were 39,596 tons, and ore receipts were 39,928 tons. Commencing July 6 the coal companies started mining coal in quantities to insure the Steel Corporation receiving sufficient coal before the close of navigation to take care of winter requirements. Ore is also being brought in only as required.

"The value of orders on the books, as at the close of the fiscal year, was $1,995,862, as compared with $1,905,840 last year. This included coke, benzol, ammonium sulphate, pig iron, merchant bars and rails.

Cannelton Coal Co.

Cannelton Coal & Coke Company: "The mines produced during the year 230,145 tons, compared with 701,672 last year, practically the whole tonnage being shipped to The Algoma Steel Corporation. Results from the production of natural gas on the property have been satisfactory. The four producing wells were connected up and arrangements made to sell the gas to a Trunk Line Company, and initial delivery of gas was made December 19, 1930. Gross sales to June 30 amounted to $17,436.

Lake Superior Coal Company: "Production for the year was 162,491 tons, compared with 488,949 tons last year. 56 per cent of the production was sold on the outside market and the balance shipped to the Steel Corporation.

Fiborn Limestone Company: "Production for the year was 114,476 tons of crushed limestone, and 9,848 tons of dolomite. Shipments of limestone were 129,666 tons, of which 103,076 tons were shipped to the Steel Company and the balance sold to outsiders. The entire dolomite production was shipped to the Steel Corporation.

New Westminster Forms Plans

A programme of possible construction work in the City of New Westminster sewer and waterworks extensions, totalling $238,900, has been submitted to the Provincial Government. The work would employ 600 men for seven months.

Municipal Bond News
FOR over forty years this organization has been devoting its efforts exclusively to the publication of accurate State and municipal bond news. Not "flash" items or rumors, but carefully prepared news covering all the technical requirements of the municipal market have been responsible for its recognition as "The Authority on Municipal Bonds" It is, therefore, the logical medium for municipal bond sale advertising.
Daily and Weekly Editions.
THE BOND BUYER
Since 1891
"The Authority on Municipal Bonds"
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Lobster Fishery Ranks High

Last year the Dominion's lobster fisheries yielded a catch of over 40,726,000 pounds and was second only to the salmon fishery in point of market return, the value being $5,215,000.

"Anything else, Sir!"
"No! what else could I want?"
Guests of the New Colonial will find every desirable innovation at this hostelry. Ideally situated just four blocks from the White House and one from car and bus lines.
$60,000 improvements just completed. All rooms now have bath or toilet with running water, radio, oscillating electric fans, and modern furnishings.
Up-to-date Coffee Shop
Single Rooms $2 and $2.50 daily
Double Rooms $3 and $3.50 daily
With bath $3 and $3.50 single
With bath $4.50 and $5 double
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THE NEW COLONIAL HOTEL
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WASHINGTON, D.C.

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LE PRIX COURANT is printed on high grade stock, and advertisers may use color illustrations with the assurance of satisfactory results.
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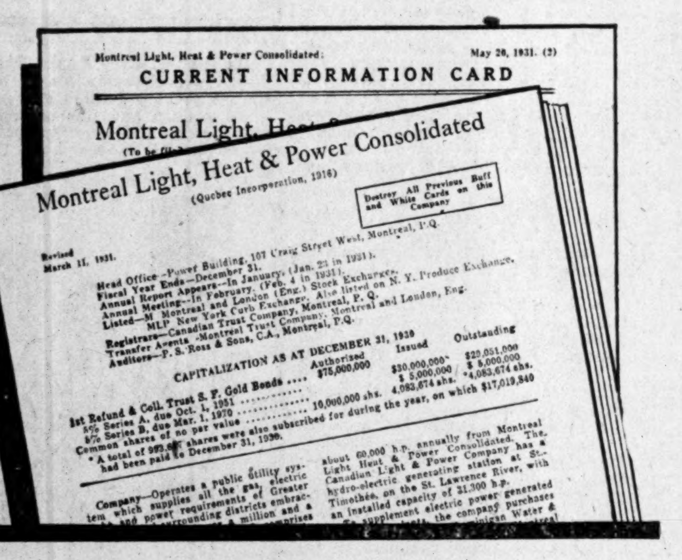

These companies are fully covered by cards that are now ready

Below are listed some of the companies covered by The Financial Post Corporation Service. Sample card will be sent free of charge. As the supply of some reviews is limited please list three companies so that we may be sure you are receiving a review of one company you wish to study.

A

Abana Mines Limited
Abitibi Power & Paper Co., Ltd.
Acadia Sugar Refining Company, Limited
Acme Glove Works, Limited
Acme Gas & Oil Company, Limited
Admiral Oils, Limited
Agnew-Surpass Shoe Stores, Limited
Ajax Oil & Gas Company, Limited
Alberta Pacific Consolidated Oils, Ltd.
Alberta Pacific Grain Company, Limited
Alberta Wood Preserving Company, Ltd.
Aldermac Mines, Limited
Aldred Investment Corp. (Canada)
Algoma Consolidated Corp., Limited
Algoma Steel Corporation, Ltd.
Alliance Paper Mills, Limited
Aluminium Limited
Amalgamated Electric Corp. Limited
American Sales Book Co. Ltd.
Amity Copper & Gold Mines, Limited
Amulet Mines, Limited
Anaconda Oil Co. Ltd.
Andian National Corp., Limited
Anglo Canadian Pulp & Paper Mills, Ltd.
Anglo Norwegian Holdings Limited
Area Mines, Limited
Arno Mines, Limited
Asbestos Corporation, Limited
Asch, Limited
Associated Breweries of Canada, Limited
Associated Oil & Gas Company, Limited
Associated Quality Canners, Ltd.
Associated Telephone and Telegraph Co.
Atlantic Sugar Refineries, Ltd.
Avalon Telephone Company, Limited
Avon River Power Company, Ltd., The

B

Baltac Oils, Limited
Bank of Montreal
Bank of Nova Scotia
Bank of Toronto
La Banque Canadienne Nationale
Barcelona Traction, Light & Power Co.,
Barry-Hollinger Gold Mines, Limited
Base Metals Mining Corp. Ltd.
Basic Investments of Canada, Ltd.
Bathurst Mines, Limited
Bathurst Power & Paper Co. Limited
N. Bawlf Grain Company, Limited
Bawlf Terminal Elevator Co. Ltd.
W. D. Beath & Son, Limited
Beatty Bros., Limited
Beauharnois Power Corporation
Bedford Mines, Ltd.
Belding Corticelli, Limited
Belgo Canadian Paper Co.
Bell Telephone Co. of Canada
Bidgood Consolidated Mines, Limited
Big Missouri Mining Co.
Biltmore Hats, Limited
T. E. Bissell Company, Limited
Blue Ribbon Corporation, Limited
Bobjo Mines, Limited
Bolivian Power Company
Brandram-Henderson, Limited
Brantford Cordage Co., Limited
Brantford Roofing Co., Limited
Brazilian Portland Cement Co.
Brazilian Traction, Light & Power Co.
Brewers & Distillers of Vancouver, Ltd.
Brewing Corporation of Canada, Limited
British American Oil Company, Limited
British Columbia Electric Power & Gas Co.
British Columbia Electric Railway Co.
British Columbia Packers, Limited
British Columbia Power Corp., Limited
British Columbia Pulp & Paper Co., Ltd.
British Columbia Telephone Company
British Dominion Oil & Development Corp.
British Empire Steel Corporation
Brockville Trust & Savings Company
Brompton Pulp & Paper Company
Bruck Silk Mills, Limited
Building Products, Limited
Bunker Hill Extension Mines, Limited
Burns & Co., Limited
F. N. Burt Company, Limited
Bwana M'Kubwa Copper Mining Co., Ltd.

C

Calgary & Edmonton Corp., Limited
Calgary Brewing & Malting Co., Limited
Calgary Power Company, Limited
Calmont Oils, Limited
Cameron Petroleums, Limited
Canam Metals, Limited
Castle-Trethewey Mines, Limited
Catelli Macaroni Products Corp., Ltd.
Cedars Rapids Mfg. & Power Co.
Celtic Knitting Company, Limited
Central Canada Loan & Savings Co.
Central Manitoba Mines, Limited
Central Patricia Mines Ltd.
Central Terminal Railway Co.
Chartered Trust and Executor Company
Chemical Research Corporation
Chibougamau Prospectors, Ltd.
City Dairy Ltd. (Wpg., Man.)
Clark, Howe, Waters & Knight Bros., Ltd.
Claude Neon General Advertising, Limited
Clean-it-erias, Limited
Coast Copper Co., Ltd.
Cobalt Contact Mines Limited
Cockshutt Plow Company, Limited
Collingwood Terminals Limited
Columario Gold Mines, Limited
Commercial Alcohols, Limited
Commonwealth Petroleum, Limited
Conduits Company, Limited
Confederation Life Association
Coniagas Mines, Limited
Coniaurum Mines Ltd.
Connors Bros., Limited
Consolidated Bakeries of Canada, Ltd.
Consolidated Food Products, Limited
Consolidated Industries Limited
Consolidated Investment Corp. of Canada
Consolidated Mining & Smelting Co. of Canada
Consolidated Oka Sand & Gravel Co., Ltd.
Consolidated Paper Corp., Limited
Consolidated Press, Limited
Consolidated Sand & Gravel, Ltd.
Consumers' Gas Company of Toronto
Consumers Glass Company, Limited
Continental Paper & Bag Corp.
Continental Paper Products, Ltd.
Cooksville Company, Limited
Cooper Gold Mines Ltd.
Copland Brewing Co., Ltd.
Corporate Steel Products Limited
Corrugated Paper Box Company, Limited
Cosgrave Export Brewery Company, Ltd.
Cosmos Imperial Mills, Ltd.
Cotton Belt Mines, Limited
Crescent Creamery Co., Ltd.
Crown-Dominion Oil Company, Limited
Crow's Nest Pass Coal Company, Limited
Cuban Canadian Sugar Co., S.A.
Cumberland Railway & Coal Co.
Curtiss-Reid Aircraft Co., Ltd.
Cushing Mills, Limited
Canada Biscuit Company, Limited
Canada Bread Company, Limited
Canada Bud Breweries, Ltd.
Canada Cement Company, Limited
Canada Dry Ginger Ale, Inc. (Delaware)
Canada Foundries & Forgings, Ltd.
Canada Gypsum & Alabastine, Limited
Canada Iron Foundries, Limited
Canada Life Assurance Company
Canada Machinery Corp., Limited
Canada Malting Co., Limited
Canada Northern Power Corporation, Ltd.
Canada Packers, Limited
Canada Paper Company
Canada Paving & Supply Corp., Ltd.
Canada Permanent Mortgage Corp.
Canada Power & Paper Corporation
Canada Steamship Lines, Limited
Canada Trust Company
Canada Vinegars, Limited
Canada Wire & Cable Company, Limited
Canadian Bakeries, Limited
Canadian Bank of Commerce
Canadian Bronze Co., Ltd.
Canadian Canners, Limited
Canadian Car & Foundry Co., Limited
Canadian Celanese, Limited
Canadian Consolidated Felt Co., Ltd.
Canadian Converters' Co., Ltd.
Canadian Copper Refiners, Ltd.
Canadian Cottons, Limited
Canadian Dredge & Dock Co., Limited
Canadian Fairbanks-Morse Company, Ltd.
Canadian Fire Insurance Company
Canadian Foreign Investment Corporation
Canadian General Electric Co., Ltd.
Canadian General Investment Trusts
Canadian Hydro-Electric Corp., Ltd.
Canadian Indemnity Company
Canadian Industrial Alcohol Co., Ltd.
Canadian Industries, Limited
Canadian International Investment Trust
Can. International Paper, Ltd.
Canadian Investors' Corp., Ltd.
Canadian Light & Power Co.
Canadian Locomotive Company, Limited
Canadian Lorrain Silver Mines Ltd.
Canadian Marconi Company
Canadian Oil Companies, Limited
Canadian Pacific Railway Company
Canadian Paperboard Company, Limited
Canadian Power & Paper Investments, Ltd.
Canadian Rail & Harbour Terminals, Ltd.
Canadian Steel Foundries, Limited
Canadian Terminal System, Limited
Canadian Vickers, Limited
Can. West. Natural Gas, L. H. & P. Co., Ltd.
Canadian Westinghouse Company, Limited
Canadian Wineries, Limited
Canadian Wirebound Boxes, Limited

D

Dairy Corporation of Canada, Limited
Dalhousie Oil Co., Ltd.
David & Frere, Limited
De Forest Crosley Radio Co., Limited
de Havilland Aircraft of Canada, Ltd., The
Demerara Electric Co., Ltd.
Detroit & Canada Tunnel Co.
Detroit International Bridge Co.
Disher Steel Construction Co., Limited
Distillers Corporation-Seagrams, Limited
Ditchburn Boats, Limited
Diversified Investment Trust Limited
Diversified Standard Securities, Limited
Dodge Manufacturing Co., Ltd.
Dome Mines, Limited
Dominion Bakeries, Limited
Dominion Bank
Dominion Bridge Company, Ltd.
Dominion Coal Company, Limited
Dominion Distillers Consolidated,Limited
Dominion Engineering Works, Ltd.
Dominion Explorers, Limited
Dominion Foundries & Steel, Limited
Dominion Glass Company, Limited
Dominion Iron & Steel Company, Limited
Dominion Life Assurance Company
Dominion Motors, Limited
Dominion Power & Transmission Co., Ltd.
Dominion Rubber Company, Limited
Dominion-Scottish Investments, Limited
Dominion Steel Corp., Limited
Dominion Steel and Coal Corp., Limited
Dominion Stores, Limited
Dominion Tar & Chemical Co., Ltd.
Dominion Textile Company, Limited
Dominion Woollens & Worsteds, Limited
Donnacona Paper Co.
Dryden Paper Company, Limited
Dufferin Paving & Crushed Stone, Limited
Duke-Price Power Co., Ltd.
Duluth, South Shore & Atlantic Railway Co.
Duluth Superior Traction Co.
Dunlop Tire & Rubber Goods Co., Limited
Duprat Mines, Ltd.
Durant Motors of Canada Limited
East Crest Oil Company, Limited
East Kootenay Power Co.
Eastern Canada Coastal Steamships Ltd.
Eastern Car Company, Limited
Eastern Dairies, Limited
Eastern Steel Products, Limited

E

Eastern Theatres, Limited
Easy Washing Machine Company, Ltd.
Economic Investment Trust, Limited
Edmonton City Dairy, Limited
Elbow Oil Co., Ltd.
Eldorado Gold Mines, Limited
Enamel & Heating Products, Limited
English Electric Company of Canada, Ltd.
Excelsior Life Insurance Company

F

Falconbridge Nickel Mines, Ltd.
Famous Players Canadian Corp., Ltd.
Fanny Farmer Candy Shops, Inc.
Federal Distilleries, Limited
Federal Grain, Ltd.
Firstbrook Boxes, Limited
Foothills Oil & Gas Company, Limited
Ford Motor Company of Canada, Limited
Foreign Power Securities Corp., Ltd.
Foundation Company of Canada, Limited
Founders Investment Trust, Limited
Fraser Companies, Limited
Freehold Oils Corp., Limited
A. J. Freiman, Limited
Frontenac Breweries, Limited
Frontenac Oil Refineries, Limited
Frost Steel & Wire Company, Limited
George A. Fuller Company

G

Gatineau Power Company
Gem Lake Mines, Limited
General Steel Wares, Ltd.
George Gold Copper Mining Company, Ltd.
Georgetown Coated Paper Mills, Limited
Georgia River Gold Mines Limited
Gillgreer Mines Limited
Goderich Elevator and Transit Co., Ltd.
Goldale Mines, Limited
Goldfield Consolidated Mines Company
Goodyear Cotton Co. of Canada, Ltd.
Goodyear Tire & Rubber Co. of Canada Ltd.
Gosse Packing Company, Ltd.
Goulds Pumps, Incorporated
Graham Bousquet Mining Corporation
Granada Gold Mines Ltd.
Granby Consolidated Mining, Smelting & Power Company, Limited
Great Lakes Power Company, Limited
Great-West Life Assurance Company
Great West Saddlery Company, Limited
Greater Buffalo Theatres, Inc.
Guelph Carpet & Worsted Spinning Mills Ltd.
Charles Gurd & Company, Limited
Gypsum Lime & Alabastine Canada, Ltd.

H

Hamilton Bridge Company, Ltd.
Hamilton By-Products Coke Ovens, Ltd.
Hamilton Cotton Company, Limited
Hamilton Dairies, Limited
Hamilton Leather Goods Co., Limited
Hamilton United Theatres, Ltd.
Harding Carpets, Limited
Hargal Oils, Limited
Hayes Wheels & Forgings, Limited
Herron Petroleums, Limited
High River Oilfields, Limited
Hillcrest Collieries, Limited
Hinde & Dauch Paper Co. of Canada Ltd.
Hiram Walker, G. & W.
Hollinger Consolidated Gold Mines, Ltd.
Holt, Renfrew & Co., Limited
Home Investment & Savings Association
Home Oil Company, Limited
Homestead Oils, Limited
Honey Dew, Limited
Honey Dew Western, Ltd.
Howard Smith Paper
Howe Lumber Co., Ltd.
Howe Sound Company
Howey Gold Mines, Limited
Hudson Bay Mining & Smelting Co., Ltd.
Hudson's Bay Company
Humberstone Shoe Company, Limited
Hunt's, Limited
Huron & Erie Mortgage Corporation
Huronian Mining & Finance Co., Ltd.
Hydro-Electric Bond & Share Corporation
Hydro-Electric Securities Corporation

I

Illinois-Alberta Oils, Limited
Imperial Bank of Canada
Imperial Life Assurance Co. of Canada
Imperial Oil, Limited
Imperial Tobacco Company of Canada, Ltd.
Inter City Baking Company, Ltd.
Inter City Western Bakeries, Ltd.
International Coal & Coke Company, Ltd.
International Fibre Board, Ltd.
International Holding & Invest. Co., Ltd.
International Hydro Electric System
International Milling Company
International Nickel Co. of Canada, Ltd.
International Paints (Canada) Limited
International Paper and Power Company
International Petroleum Co., Ltd.
Inter. Pwr. & Paper Co. of Nfld., Ltd.
International Power Company, Limited
International Proprietaries, Limited
International Utilities Corporation
Interprovincial Brick Co.
Investment Foundation, Limited
Investors Equity Corporation, Limited
Iva Fern Mines, Limited

J

Jamaica Public Service, Limited
Jones Bros. of Canada, Limited

K

Keeley Silver Mines, Limited
Kelvinator of Canada, Limited
King Edward Hotel Company, Ltd.
Kingston Elevator Company Limited
Kirkland-Hudson Bay Gold Mines Limited
Kirkland Lake Gold Mining Company, Ltd.
Kirkland Premier Mines, Limited
Kootenay Florence Mining Co., Ltd.

L

Lake Geneva Mining Co., Ltd.
Lake of the Woods Milling Company, Ltd.
Lake St. John Power & Paper Co., Ltd.
Lake Shore Mines, Limited
Lake Superior Corporation
Landed Banking & Loan Company
Langley Co., Ltd.
Laura Secord Candy Shops, Limited
Laurentide Company
Laurentide Power Co., Ltd.
P. T. Legaré Company, Limited
Lincoln Pulp & Paper Mills, Limited
C. W. Lindsay & Co., Limited
Loblaw Groceterias Co., Limited
Loew's London Theatres, Limited
London Canadian Investment Corporation
London Life Insurance Company
Lorrain Trout Lake Mines, Limited
Los Angeles-Vancouver Mines Limited
Lowery Petroleums, Limited
Lucky Jim Lead & Zinc Co., Ltd.

M

Macassa Mines, Limited
Mackay Companies
MacKinnon Steel Corporation, Limited
Madison Oils, Ltd.
Mandy Mines, Limited
Manitoba Basin Mining Co., Limited
Manitoba Bridge & Iron Works, Limited
Manitoba Power Co., Ltd.
Mansfield Theatre Co., Ltd.
Manufacturers Life Insurance Company
Maple Leaf Milling Company, Ltd.
Marcus Loew's Theatres, Limited
Maritime Telegraph & Telephone Co., Ltd.
Marmot River Gold Mines Limited
Massey-Harris Company, Limited
Mayland Oil Company, Limited
Medicine Hat Greenhouses, Ltd.
Melchers Distilleries, Limited
Mercury Mills, Ltd.
Mercury Oils, Limited
Merland Oil Company of Canada, Ltd.
Mersey Paper Company Limited
Mexican Light & Power Co., Ltd.
Mexico Tramways Company
Midland and Pacific Grain Corp., Limited
Midland Pacific Terminal Limited
Mid-West Oil Co., Ltd.
Mill City Petroleums, Ltd.
Milton Brick, Limited
Mining Corporation of Canada, Ltd.
Minneapolis, St. Paul & Sault Ste. Marie Railway Co.
Minnesota and Ontario Paper Company
J. S. Mitchell & Co., Ltd.
Robert Mitchell Company, Limited
Model Oils, Limited
Moffatt-Hall Mines, Limited
Moirs, Limited
Monarch Knitting Company, Limited
Montreal Dairy Co., Ltd.
Montreal Coke & Manufacturing Company
Montreal Cottons, Limited
Montreal Debenture Corp.
Montreal Exhibition Company, Ltd.
Montreal Island Power Company
Montreal Light, Heat & Power Consol.
Montreal Loan & Mortgage Company
Montreal Public Service Corp.
Montreal Rail & Water Terminals, Limited
Montreal Telegraph Company
Montreal Tramways, Limited
Moore Corporation, Limited
Moss Mines, Ltd.
Mount Royal Hotel Company, Limited
Muirheads Cafeterias, Limited
Municipal Bankers Corp., Ltd.
Mutual Life Assurance Co. of Canada

N

National Biscuit Company
National Breweries, Limited
National Brick Company of Laprairie, Ltd.
National Distilleries, Limited
National Grocers Company, Limited
National Life Assurance Co. of Canada
National Light & Power Company, Ltd.
National Sewer Pipe Company, Limited
National Steel Car Corp., Limited
National Trust Company, Limited
Neon Products of Western Canada Ltd.
Newbec Mines, Limited
New Brunswick Power Company
New Brunswick Telephone Company
New England Power Association
New Federal Oils, Ltd.
Newfoundland L. & P. Co., Ltd.
New McDougall-Segur Oil
Niagara Wire Weaving Company, Limited
Nipissing Mines, Company, Limited
Noble Five Mines, Limited
Noranda Mines, Limited
Nordon Corporation, Limited
North American Elevators, Limited
North American Life Insurance Company
North Star Oil, Limited
Northern Bakeries of Can., Ltd.
Northern Canada Mining Corp., Ltd.
Northern Canadian Mortgage Co., Ltd.
Northern Mexico Power & Development Co Limited
Northern Paperboard Company, Limited
Northern Quebec Power Co., Ltd.
Northern Trusts Company
Northwestern Power Company, Ltd.
Nova Scotia Light & Power Co., Ltd.
Nova Scotia Shipping Co., Ltd.
Nova Scotia Steel & Coal Co., Ltd.
Nova Scotia Tramways & Power Co., Ltd.

O

Ogilvie Flour Mills Company, Limited
Okalta Oils, Limited
Old Colony Mines, Limited
Olga Gas & Oil Co., Ltd.
Ontario Bakeries, Limited
Ontario Equitable Life & Accident Ins. Co.
Ontario Loan & Debenture Company
Ontario Power Service Corporation Ltd.
Ontario Silknit, Limited
Ontario Steel Products Company, Limited
Ontario Tobacco Plantations, Limited
Orange Crush, Ltd.
Oregon Copper Company
Osisko Lake Mines, Ltd.
Ottawa Light, Heat & Power Co., Ltd.
Ottawa Traction Co., Ltd.
Ottawa Valley Power Company

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What the company does	History of its operations
Management	Subsidiaries
Provisions of each stock issue	Security of each bond issue
Names of underwriters	Dividend record
Rights given	Stock market record
Seven years' earnings	Seven years' balance sheets

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(1) ....

(2) ....

(3) ....

Name ....

Address ....

F.P.Oct.3.

P

Pacific Burt Company, Ltd.
Page-Hersey Tubes, Ltd.
Paton Manufacturing Company, Ltd.
Patterson Copper Mines, Limited
Pelissier's Limited
Pend Oreille Mines & Metals Company
Penman's Limited
Perfection Glass Company, Limited
Peterson Cobalt Mines, Limited
Petrol Oil and Gas Company, Limited
Photo Engravers & Electrotypers, Ltd.
Pioneer Gold Mines of B.C., Limited
Port Alfred Pulp & Paper Corporation
Porter Idaho Mining Co., Ltd.
Port Hope Sanitary Mfg. Co., Ltd.
Porto Rico Railways Co., Ltd.
Postal Telegraph & Cable Corporation
Power Corporation of Canada, Limited
Prairie Cities Oil Co., Limited
Premier Border Gold Mining Co., Limited
Premier Gold Mining Company, Limited
Pressed Metals of America, Inc.
Price Brothers & Company, Ltd.
Provincial Bank of Canada
Provincial Glass Company, Limited
Provincial Light, Heat & Power Co., Ltd.
Provincial Paper Limited
Public Utility Investment Company

Q

Quebec New England Hydro Electric Corp
Quebec Power Company
Quebec Pulp & Paper Corporation
Quebec Telephone & Power Corporation
Quemont Mining Corporation, Ltd.
Quinte & Trent Valley Power Co., Ltd.

R

Real Estate Loan Company of Canada, Ltd.
Reeves-McDonald Mines, Limited
Regent Knitting Mills, Ltd.
Regent Oil Company, Limited
Reliance Grain Company, Limited
Restigouche Co., Ltd.
Rhodesian Selection Trust, Ltd.
Richfield Petroleum, Limited
Ritchie Cut Stone Company, Limited
Ritchie & Ramsay, Limited
Riverside Iron Works, Ltd.
Riverside Silk Mills, Limited
Robin, Jones & Whitman, Limited
Rogers-Majestic Corporation, Limited
Rolland Paper Company, Limited
Royal Bank of Canada
Royal Trust Company
Royalite Oil Company, Limited
E. L. Ruddy Co., Ltd.
Russell Motor Car Company, Limited
Ruth-Hope Mining Company, Limited

S

Saguenay Electric Co.
St. Anthony Gold Mines, Limited
St. Lawrence Corporation Limited
St. Lawrence Flour Mills Co., Ltd.
St. Maurice Valley Corporation
San Antonio Gold Mines, Ltd.
Sarnia Bridge Co., Limited
Sarnia Oil & Gas Company, Limited
Sawyer Massey Limited
Second Diversified Standard Securities Ltd
Second Standard Royalties Limited
Service Stations, Limited
Seven Troughs Gold Mines Co.
Shawinigan Water & Power Company
Sherbrooke Railway & Power Co.
Sherritt-Gordon Mines, Limited
Sherwin Williams Co. of Canada, Ltd.
Silverwood's Dairies, Limited
H. Simon & Sons, Limited
Simpson's, Limited
Robert Simpson Company, Limited
Sin-Mac Lines, Limited
Sioux City Oils, Ltd.
Siscoe Gold Mines Limited
Slocan Rambler Mining Company, Limited
Howard Smith Paper Mills, Limited
Southern Canada Power Co., Limited
Southern Lowery Oils, Limited
Southwest Petroleum Co., Ltd.
Sovereign Life Assur. Co. of Canada Ltd.
Spooner Oils, Limited
Spruce Falls Power & Paper Company, Ltd.
Standard Chemical Company, Limited
Standard Clay Products, Limited
Standard Fuel Co., Ltd.
Standard Paving & Materials, Limited
Standard Steel Construction
Stanfield's Limited
Stanford's Limited
Starr Manufacturing Company, Ltd.
Steel Company of Canada, Limited
Sterling Coal Company, Ltd.
Sudbury Basin Mines, Limited
Sudbury Nickel & Copper
Sun Life Assurance Company of Canada
Sunlock Mines, Ltd.
Supersilk Hosiery Mills, Limited
Supertest Petroleum Corporation, Limited
Sylvanite Gold Mines, Limited

T

G. Tamblyn, Limited
Teck-Hughes Gold Mines, Limited
Telluride Gold Producers, Limited
Temiskaming Mining Company, Ltd.
Thayers, Limited
Third Diversified Standard Securities Ltd.
Thrift Stores
Tip Top Tailors, Limited
Tooke Bros., Limited
Topley-Richfield Mining Company, Ltd.
Toronto Carpet Mfg. Company, Limited
Toronto Elevators, Limited
Toronto General Trusts Corporation
Toronto Mortgage Company
Toburn Gold Mines Limited
Towagmac Exploration Company, Limited
Traymore, Limited
Treadwell-Yukon Company, Limited
Trinidad Electric Company, Limited
Trusts and Guarantee Company, Limited
Tuckett Tobacco Company, Ltd.
Turner Valley Oil Company, Limited
Twin City Rapid Transit Company

U

Union Gas Company of Canada, Limited
Union Trust Company, Limited
United Amusement Corporation, Limited
United Bond & Share Corporation
United Farmers Co-Operative Co., Limited
United Fuel Investments, Limited
United Gas & Fuel Co. of Hamilton Ltd.
United Grain Growers, Limited
United Oils, Limited
United Securities Limited

V

Vanalta Oils, Limited
Ventures, Limited
Viau Biscuit Corporation, Limited
Vipond Consolidated Mines, Limited

W

Wabasso Cotton Company, Limited
Wainwell Oils Limited
Waite-Ackerman Montgomery
Waite Valley Holdings, Limited
Hiram Walker-Gooderham & Worts, Ltd.
Warner Oils, Limited
Waterloo Mfg. Co., Limited
Wayagamack Pulp & Paper Co., Ltd.
Wentworth Radio & Auto Supply Co., Ltd.
West Canadian Hydro-Electric Corp., Ltd.
West Kootenay Power & Light Co., Ltd.
Western Breweries Limited
Western Canada Flour Mills Co., Ltd.
Western Grain Company, Limited
Western Grocers, Limited
Western Power Co. of Canada, Ltd.
Western Steel Products, Ltd.
Western Vinegars, Ltd.
Westminster Paper Co., Limited
George Weston, Limited
White Lake Mines, Limited
Whittall Can Company, Limited
Willard's Chocolates, Limited
Willson Stationers and Envelopes, Ltd.
Windsor Gas Company, Limited
Windsor Hotel, Limited
Winnipeg Electric Company
Wisconsin Central Railway Co.
Wood, Alexander & James, Limited
Woods Manufacturing Company, Limited
Wright-Hargreaves Mines, Limited

Y

Yankee Girl Consolidated Mines Ltd.

Z

Zimmerknit, Limited

Canadian Pulp and Paper Industry

ABITIBIPOWER'S SOO MILL RUNS AT FULL BLAST

Company Made Mill More Efficient and Economical While Closed

INTEREST IS EARNED

By Cutting $2,000,000 in Dividends Bonds Are Given Stronger Situation—Mergers Off

Abitibi Power & Paper Co., by opening its fourth machine on October 1, brought its mill in Sault Ste. Marie, Ont., within the space of one month from being entirely closed to 100 per cent capacity with more than 600 men on the payroll. Manitoba Paper Company's paper mill of 250 tons daily capacity of newsprint is also running at 100 per cent capacity at Pine Falls and the large Iroquois Falls mill of 600 tons daily capacity is running quite close to capacity. The Sault Ste. Marie mill will be producing at the rate of about 6,500 tons a month.

It would be a mistake to assume that the new production at Sault Ste. Marie entirely represents additional orders received by Abitibi Pulp & Paper Corp. It undoubtedly represents some improvement, whether temporary or prolonged, but it is a fact that when a mill is reopened by a company like Abitibi, manufacturing at intervals over half a continent, some readjustment of orders is necessary in order that the natural advantages for distribution of product to the various markets can be accomplished from the most convenient and least costly point. Very little is going on at the five newsprint mills of the company not mentioned.

Running at Half Capacity

With the new production the company's mills are running at a rate which is not far from half capacity of 2,220 tons daily. This, if maintained, would be higher than the 350,000 tons said to have been produced in 1930. Officials, however, do not expect greater volume. The company paid dividends on its two preferred stocks until the dividend, due July 1, 1931, on $34,881,800 6 per cent cumulative $100 par preferred stock, was deferred. In 1930 the dividend earned on this stock was $7.47 a share. It was therefore paid but now it would appear that the revenue in 1931 is likely to be down more than $2,000,000 and that after deducting interest on funded debt of $2,786,070, depreciation and depletion of $1,668,524 as in 1930 there will be little more than if as much as $900,000. Even half this amount would preserve the $245,000 dividend on Provincial Paper preferred and the $70,000 on the 7 per cent first preferred of Abitibi Power & Paper Co.

At the end of June it was stated that bond interest had been earned. There is considerable faith that interest will be earned and met by Abitibi throughout the year at least. Increased business from newspapers would quickly follow an improvement in the general level of business but should it happen that there is little improvement through the coming winter, this company is better situated than most to stand the gaff for a longer period. It has cheap wood, and cheap power in the mills now running.

Cuts Costs

The Sault Ste. Marie mill just opened is in a better condition than at any time in its history. Advantage was taken of the prolonged shut-down to improve equipment and machinery. It reopens as a result of this and other adjustments with a lower percentage of cost to goods produced than ever before.

Directors and officials will not divulge information which would permit a definite guess as to probable earnings for 1931. The last year has shown them that volume of orders is a constantly fluctuating quantity. The best indication to investors is the scale of dividend payments. The company is one of the most solvent of Canadian paper companies and drastic economies made in the last year are intended to conserve this strong position. Bank loans at the end of 1930 stood at $4,500,000. No one can say what the total will be at the end of 1931 but little reduction is expected, if any. There is still grave uncertainty before the industry as a whole. If the present depreciation in the Canadian dollar continues, it will give the company a premium of about $4 a ton. With American money for its newsprint it can meet New York obligations at par and dividends in Canadian dollars.

Can Fall Back on Power

In the meantime Abitibi is fortunate in having developed power enterprises to the extent of 500.000 horsepower and to have undeveloped water powers reaching a total between 450,000 and 500,000 horsepower. These power enterprises find in Abitibi their most considerable market but, in the next decade, it would not be surprising if the company finds a growing market outside for power which it will have available as soon as conditions make it evident that there will be a market. After October 1, 1932, the 275,000 horsepower project at Abitibi Canyon of its subsidiary, Ontario Power Service Corp., will be available, Ontario Hydro-Electric Power Commission paying for 85,000 horsepower at once at the rate of $13 a horsepower and taking or paying for 100,000 horsepower by 1936. Its own needs at Iroquois Falls and Smooth Rock Falls will take care of the remaining 175,000 horsepower.

Revenue from newsprint mills will grow when newspaper demand grows larger with increasing business. Directors will follow a conservative dividend policy until the world is moving upward into prosperity in the usual course of the business cycle. The prolonged depression is being used to get the company's operations on the most economical basis possible.

Abitibi Power may be considered as unlikely to enter any merger in the near future. One after another various projects in the past year have been turned down, executives judging that it will do best in the long run for itself and security holders by running under its own steam.

Home Newsprint Needs Near 200,000 Tons Yearly

Discussion on the increase or decline in the consumption of newsprint centres upon the United States, with the result that little attention is paid to the domestic market. Although it is not to be compared to the United States as an outlet for newsprint, Canada is one of the largest newsprint consumers in the world.

Productive facilities of the Canadian newsprint industry are far in excess of domestic needs, this condition being due to the dependency of United States upon this country for its newsprint supplies. Consequently the proportion of the total production exported is out of line with the average recorded by industry as a whole.

For many years past the Canadian newsprint mills have been exporting over 90 per cent of the total output to the United States and other foreign markets. At the same time consumption at home has shown a steady increase. In 1919, for example, Canada produced 803,000 tons of newsprint and exported 708,000 tons, leaving an apparent consumption of 95,000 tons. Last year production had advanced to the high figure of 2,504,000 tons, of which 2,331,000 tons went to export markets. The difference, amounting to 173,000 tons, represents the apparent Canadian consumption of newsprint. This is nearly double the amount reported in 1919.

The trend of newsprint operations in Canada, in so far as they bear upon production, exports and apparent consumption, is shown hereunder in detail for the years 1913 to 1930:—

NEWSPRINT TREND IN CANADA
1913-1930
—Tons—

	Production	Exports	Consumption
1913	350,000	......	......
1914	415,000	......	......
1915	489,000	......	......
1916	608,000	......	......
1917	686,000	596,000	90,000
1918	735,000	637,000	98,000
1919	803,000	708,000	95,000
1920	876,000	762,000	114,000
1921	808,000	709,000	99,000
1922	1,082,000	960,000	122,000
1923	1,266,000	1,138,000	128,000
1924	1,353,000	1,219,000	134,000
1925	1,522,000	1,402,000	120,000
1926	1,882,000	1,732,000	150,000
1927	2,087,000	1,882,000	205,000
1928	2,381,000	2,207,000	174,000
1929	2,729,000	2,511,000	218,000
1930	2,504,000	2,331,000	173,000

Newsprint Operations Continue on Low Scale As Demand Restricted

Expected Seasonal Gain Not Shown Up to Date

HOLDING DOWN COST

Indications Now Point to Limited Operations During Balance of Year

From Our Own Correspondent

MONTREAL.—Newsprint manufacturing operations continue on an unsatisfactory basis. At present the majority of plants are operating below the 45 per cent mark. Returns for August showed operations at 51.3 per cent of rated capacity—the lowest for many months past.

Expectations of a seasonal gain in September have failed to materialize. One of the largest operators in Quebec reports that plants are only running at 35 to 40 per cent of capacity. This is comparatively low, but is indicative of the fact that other manufacturers are not experiencing any marked improvement in business.

Trend Not Encouraging

The trend of newsprint consumption in the United States has, from a statistical point of view, shown some improvement, but, actually, there has been no appreciable gain. Advertising lineage figures, which are usually considered a good barometer of newsprint demand, have shown a tendency to hold and in some classifications record an improvement over last year.

Through various economies, such as cutting down the size of the page and through a decline in circulation, the publishers have not needed as much newsprint as at this time last year.

Seasonal Gain Expected

Manufacturers, however, can reasonably expect an improvement in business before the end of the year. National advertising campaigns start in the fall months and continue throughout the winter until early spring. Present indications would point to some restriction in the amount of space used, but as compared with the summer schedule, more linage should be used.

Up to date, i.e., to the end of August, Canadian newsprint producers have shipped 1,472,663 tons. This compares with 1,673,530 tons during the first eight months of 1930 and with the record of 1,754,059 tons set up in the corresponding period of 1929.

For all of last year shipments aggregated 10,000 tons short of 2,500,000 tons. This was approximately 232,000 tons less than in the preceding year, which saw a new all-time record established.

Decline This Year

There is no reason to expect that shipments, which govern production, will amount to as much in 1931 as was the case in 1930. Going on the basis of the drop in advertising linage and in the decline in production for the initial months of the current calendar year, final returns should show a production in 1931 of about 12 to 15 per cent less than in 1930. This would bring production round about 2,225,000 tons or less for the full twelve months.

This forecast being substantiated by official figures, means that the Canadian newsprint manufacturers will present to their shareholders financial statements no better than last year—possibly worse.

Face Many Problems

Not only have the producers to contend with a drop in demand, but the cut in price last May, retroactive to the beginning of the year, has made a big inroad on the margin of profit between production costs and selling price. Offsetting these unfavorable features, however, are a number of developments which may enable the manufacturers to bring out better statements than would ordinarily be expected.

Practise Many Economies

In the first place virtually all of the operators have been buying their pulpwood supplies. Woods operations have been cut down to a minimum. The drop in pulpwood prices, accordingly, has enabled the manufacturers to secure their wood supplies on terms more advantageous than for many years past. The saving in this respect amounts to several dollars a cord, which in turn means a saving of equal importance in the cost of paper.

On top of the lower wood costs, the manufacturers have been making every effort to bring down their mill costs. Working forces have been reduced to a minimum, operations have been concentrated in the lowest cost mills and economies effected in general administration. The whole result has been to place the companies on a sounder basis and to put their costs on a basis which enable them to make money on $50 newsprint provided sufficient tonnage is put through the mill or mills.

Room for Improvement

Considerable improvement will have to be made, however, before the companies are again on an adequate earning power basis, as evident from the following compilation of net earnings available for common stock of the major producers over the last two years:

	1930 $	1929 $
Abitibi	513,835	1,948,897
Canada Power*	†451,230	125,908
St. Lawrence	†202,796	428,533
Mersey Paper	172,702	(1)
Price Bros.	930,909	911,692
Bathurst	(3)126,917	(2)18,450
Spruce Falls	†219,405	286,761
Inter. P. & P.	†2,299,166	†2,435,889

*Now Consolidated Paper.
†Deficit.
(1) First full year in 1930.
(2) After $100,000 in dividends on "A" and depreciation.
(4) No dividends and after setting up same depreciation as in 1929.

Positions Are Affected

That conditions have not shown any improvement this year in the way of earnings, is apparent from the fact that Price Bros. cut the dividend on their stock from $2 to $1 a share, while International Paper and Power deferred all dividends on Class "A" stock. St. Lawrence Corp. also passed its dividends. Canada Power is in the final stages of a thorough reorganization. Minnesota and Ontario Paper, one of the large newsprint producers in the Backus-Brooks group, is in the hands of the receiver.

There is room for improvement.

Russian Pulpwood Imports Declining

Importation of Russian pulpwood is of much less consequence this year than last. Quantity imported into the United States in 1930 was about 240,000 cords, while the expectation this year is for about only 50,000 cords.

Pulpwood from Soviet Russia to the United States this year is being taken by ship direct to Albany, before being unloaded for railway transportation. The Albany channel has recently been deepened to accommodate deep-sea craft.

Considerable comment arose last year over these importations, the claim being put forth that the wood was produced by convict labor. Initial shipments were prohibited by the United States Department of Revenue, but have since been allowed.

Europe Supplies 7% Of U.S. Paper Imports

As the biggest outlet for Canadian newsprint, the United States market is given close attention by producers in this country. Between the years 1913 and 1930, American publishers increased their imports in newsprint from 220,000 to 2,280,000 tons. Canada has been successful in obtaining the major share of this increased demand, which in turn, has been primarily responsible for the upbuilding of this great Canadian industry.

The American publisher is not wholly dependent upon Canada for his newsprint requirements, as is evidenced by the fact that in 1930, 134,295 tons of newsprint were imported from European countries. While the proportion of American newsprint requirements which come from the Continent are relatively small, the quantity imported is sufficient to have a bearing upon the market, especially in regard to price.

There are four principal European countries which export newsprint to the United States, namely, Sweden, Germany, Finland and Norway. Generally speaking, Swedish imports have been more or less stabilized for some years past to around 60,000 tons per annum. Imports from Germany have steadily declined, while Finland is securing a larger share of the trade. Norway also sends newsprint to the United States, though the total is relatively small.

The following table shows in detail the imports of newsprint from European countries between 1920 and 1930. It will be noted that in the eleven year period Sweden supplied 43.6 per cent of the total European imports; Germany, 19 per cent; Finland, 23.9 per cent; Norway, 11.5 per cent and other countries two per cent.

IMPORTS OF EUROPEAN NEWSPRINT INTO THE UNITED STATES
January 1, 1920 - December 31, 1930 (Tons)

	Sweden	Germany	Finland	Norway	Other	Total
1920	18,875	21,066	3,244	5,916	1,377	50,438
1921	48,932	88,938	22,661	20,193	4,613	135,357
1922	51,812	32,838	26,205	17,292	4,741	132,888
1923	64,570	52,290	41,782	33,829	7,798	200,269
1924	60,827	38,840	35,639	17,259	3,238	155,803
1925	65,518	25,862	21,683	17,030	2,421	132,514
1926	46,020	12,884	34,292	6,176	554	99,926
1927	66,920	7,096	29,330	16,796	1,919	122,061
1928	55,718	9,170	40,237	10,864	418	116,407
1929	50,717	9,741	32,293	3,498	124	96,373
1930	69,268	13,788	41,913	9,326	...	134,295
Total 11 years	599,177	262,513	329,279	158,179	27,163	1,376,311
Per Cent	43.6	19.0	23.9	11.5	2.0	100.0

News Producers Benefit By Depreciated Currency

From Our Own Correspondent

MONTREAL.—Newsprint manufacturers are not worried about the depreciation in Canadian currency! The decline of approximately 10 per cent in the value of the Canadian dollar in relation to the American dollar will have a beneficial effect on the financial statements of the Canadian newsprint manufacturer, nearly all of whose output is marketed in the United States. As far as can be learned payment for newsprint is made in American currency, so that the Canadian producer stands to benefit to the extent of 10 per cent.

Until this year Canadian newsprint sold on the basis of $55.20 a ton. In May last a cut of $5 a ton was announced, retroactive to the beginning of the year. This reduction considerably handicapped the earning power of the manufacturer, but with the Canadian dollar off 10 per cent in New York, the price of newsprint is now equivalent to last year's figures.

On a turnover of several hundred thousand tons of newsprint, the premium on American funds received in payment for shipments, should bring about a material improvement in the income statement of the Canadian manufacturers.

ALUMINIUM LTD. EXTEND WARRANTS

Time Limit Moved Ahead Three Months on All Classes

From Our Own Correspondent

MONTREAL.—Aluminium Ltd. has the following announcement of postponement of the date of exercising its outstanding common share subscription warrants:

"It has been decided that the time for exercising the "B," "C" and "D" warrants will be extended in each case approximately three months. The final date on which the "B" warrants may be exercised will be January 2, 1932, instead of October 1, 1931, the final date on which the "C" warrants may be exercised will be April 1, 1932, instead of January 2, 1932, and the final date on which the "D" warrants may be exercised will be July 2, 1932, instead of April 1, 1932."

Purchase at $30

On December 15, 1930, shareholders were offered the right to purchase additional common shares at the rate of one for each eight held at $30 a share. The total offering consisted of 71,585 shares, the proceeds of the sale to be used for corporate purposes.

The full share warrants were of four kinds: A, expiring July 2, 1931; B, expiring October 1, 1931; C, expiring January 2, 1932 and D, expiring April 1, 1932. As will be seen from the notice, only the latter three warrants are affected.

These share warrants are traded in on the New York curb, the first sale taking place last January.

Mexican Utilities Show Decrease in Net

August operations of Mexico Tramways Co. and subsidiaries resulted in a deficit of 61,820 pesos compared with a deficit of 73,450 pesos in August, 1930, and brought the deficit for the first eight months of the current year to 643,970 pesos as against 490,420 pesos in 1930. Gross earnings in August of 802,460 pesos were 5.66 per cent lower than in August, 1930, while operating expenses and depreciation amounted to 864,280 pesos, 6.48 per cent under the corresponding month in 1930. August decrease in gross earnings of 5.66 per cent compares with the average of 7.69 per cent for the first eight months of the current year while decrease in operating expenses and depreciation was 6.48 per cent as compared with the average for the first eight months of 5.04 per cent.

Mexican Light & Power Co. and subsidiaries experienced a 2.08 per cent decrease in gross earnings during August while operating expenses and depreciation increased by 16.71 per cent. Net earnings for the month of 709,980 pesos was 22.86 per cent under the same month in 1930. Net earnings for the first eight months of 1931 are 6,887,070 pesos or 8.59 per cent under the same period in 1930.

Great Lakes Paper Co. Contract for Pulpwood

From Our Own Correspondent

MONTREAL.—Fort William plant of the Great Lakes Paper Co. has let a contract for 65,000 cords of pulpwood to the Pigeon Timber Co. In filling the contract, employment will be given 600 to 800 men for four months in the cutting, following which about 250 men will be employed for from two to three months in hauling. The summer drive will employ about 100 men.

Seaman Paper to Handle Tonawanda Mill Output

From Our Own Correspondent

MONTREAL.—International Paper Co. announce that the Seaman Paper Co. will continue, as in the past, to handle the major portion of the production of International's Tonawanda mill, formerly owned by the Tonawanda Paper Co. The unsold balance will be sold through the sales department of International Paper Co.

Wabana Mine Operations Closed Until November

From Our Own Correspondent

MONTREAL.—Further large reductions in ore shipments this year have resulted in the cessation of all mining operation at Wabana on Bell Island, according to an official announcement of Dominion Steel and Coal Corp. Re-opening of the mines will depend on possible shipments for the balance of the season, but it is expected that work will be resumed in some of the pits early in November.

August Newspaper Linage Shows Less of a Decline

From Our Own Correspondent

MONTREAL.—August American newspaper lineage figures conform to the predictions made during the past few months, reducing considerably the margin of loss against 1930 for the month and for the year to August 31.

The loss in total advertising for August, 1931, against the same month last year, according to Editor and Publisher, was 9,695,422 lines, the respective totals being 137,884,894 lines in 1931 and 147,580,316 lines in 1930. The percentage of loss in the total lines was 6.5 per cent. This compared with a similar loss in July and a loss of 10.1 per cent for the period January to August.

Advertising space in all editions in August totalled 38.1 per cent of all space printed, against 39.5 per cent in August, 1930. In daily editions the month's proportion of advertising space was 40.1 per cent in 1931 and 41.1 per cent in 1930. Sunday editions held an advertising proportion of 30.8 per cent in 1931 and 29.5 per cent in 1930.

IMMEDIATE NEED OF GRADED DUTY IS SEEN BY F. B. I.

Sir James Lithgow, President F. B. I., Strongly Urges Measures

The immediate enforcement by Great Britain of a temporary emergency tariff of simple character is strongly urged by the Federation of British Industries in a circular dated from London, September 18. The need for such action is viewed by Sir James Lithgow, president of the F. B. I., as pressing, and the policy recommended has as its main objectives the correction of the balance of trade by the limitation of imports and the stimulation of British industry by adequate protection in the home market, thus giving industry the opportunity, by this assurance of increased production, of being able to reduce costs and thus expand exports.

The temporary emergency tariff proposed is an "ad valorem" duty, graded into classes, the rates ranging from free entry for goods in the first class by graded steps up to a maximum for goods placed in the last or highest class. In determining the commodities to be assigned to each class, the guiding principle advocated is that, generally, the nearer a commodity is to a completely finished article the higher the rate of duty which it should bear when imported from a foreign country. It would also be necessary to include power to take such action as may be necessary to limit imports or prevent dumping, with suitable powers of dispensing, licensing and revising, in order to meet cases of temporary but serious dislocation or inconvenience. This temporary tariff to be followed as speedily as possible by a more permanent tariff calculated to meet more exactly the requirements of the industrial situation.

In bringing about this change, says the Federation's memorandum, the following considerations must be borne in mind, both in regard to the temporary and permanent tariff:

(1) that the object of the tariff is to provide the greatest possible amount of employment and by increased production to cheapen prices and thus not only benefit the home consumer, but assist in the expansion of the export trade;

(2) the necessity of considering the interests of industries which rely upon imported raw materials, or whose raw materials are themselves the finished products of other industries;

(3) the importance of reciprocal agreements for preferential treatment with the Dominions.

(4) the need of elasticity in the tariff from the point of view of treaty negotiations with foreign countries;

(5) the stimulation of agriculture in Great Britain.

The Federation declares its conviction that no other method of restricting imports can meet the essential requirements of the situation. A flat-rate tariff on all commodities, if at a sufficiently high rate to restrict imports to the required extent, would be a serious handicap to the export trade of all industries—and particularly to those industries which rely upon imported raw material. Classification is essential if harm is not to be done to many industries.

These proposals, it is stated, represent many months work by an expert representative committee, in consultation with every industry in Great Britain.

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Soviets Plan to Increase Winter Sowings by 8 p.c.

Soviet harvesting reports show that as at August 20, 161,842,000 acres of winter and spring grains had been harvested, representing 75.3 per cent of the total sowings, according to the Economic Review of the Soviet Union. Progress had been delayed between August 15 and 20 owing to rains.

The 1931 winter sowing programme, as decreed by the Council of People's Commissars is "set" at 223,000,000 acres, or 8.2 per cent greater than last year. The distribution of crops will be as follows: wheat, 34.65 per cent; rye 63.4 per cent; barley 1.03 per cent; sunflower .52 per cent; rape .23 per cent. By September 1, about 23 per cent of the total had been sown.

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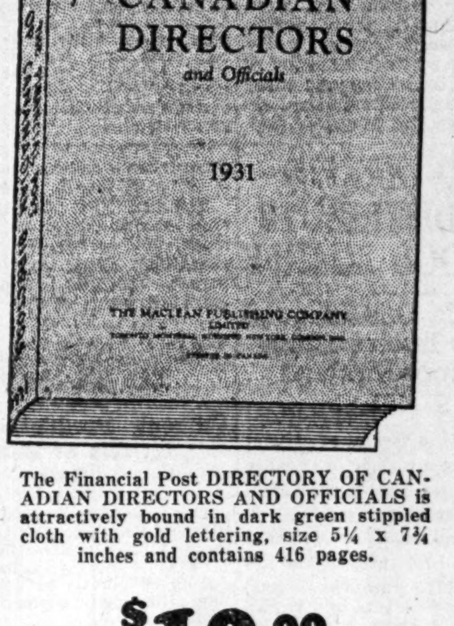

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Canadian Mining News

AWAIT REPORT BIG MISSOURI'S BULK TESTING

Suspension of Pilot Mill Concludes Test Work Planned

MAY BE NEW MILL

Mining Men Believe Big Tonnage Low Grade Mining Proposition May Develop

Big Missouri Mining Co. shareholders are in a quandary to interpret the meaning of suspending testing operations at the Big Missouri mines in the Portland Canal mining division of British Columbia, under development by Consolidated Smelters.

The title to the property is held in the name of the Buena Vista Mining Co., in which the Big Missouri Mining Co. owns 47 per cent stock interest. Consolidated Smelters holds the balance of the common stock. About a year ago announcement was made that a 100-ton pilot mill was being erected to bulk-sample its gold ore, officials stating that several months would be required before sufficient information was available to form a definite opinion as to the potentialities of the property. This mill now has been in operation about nine months, during which time very little information has been available as to the progress made or the results obtained from the bulk sampling.

Shares Decline

During recent months the value of Big Missouri Mining Co. shares has been gradually declining and shares are currently selling at a new low around 11 cents a share. Although Big Missouri does not control the company it is only through purchase of its stock, or stock in the Consolidated Smelters, that an interest can be secured in the Big Missouri mine, and consequently these two stocks, particularly the former, reflect public opinion as to the market value of the property.

Mill Site Discussed

In the absence of an official statement from Consolidated Smelters as to its future plans, it is significant to note that when the mill was erected it was designed only as a pilot mill. Furthermore, its site near the portal of the main adit or tunnel of the mine on the east side of the property is not regarded as being the most advantageous location for a mill and the site was chosen only as a temporary one. On the west side of the ridge and at a considerably lower elevation, a site for a large mill is known to have been discussed and while it is not as accessible as the present site, the additional cost of constructing a road has had full consideration. At the present time there is an excellent motor road from Stewart to the Premier mine, principally on the Alaska side of the International Boundary. From the Premier mine to the present Big Missouri mill site is about five or six miles over a good motor road made possible through the assistance of the British Columbia Government.

The fact that the site of the present mill is only considered temporary and that consideration has been given to the new site would indicate that the present suspension of operations does not mean that a big tonnage milling programme is not going to be proceeded with. It is known, too, that if the property is brought into production it will be on a substantial scale, initially around 2,000 tons daily, and that while the ore is erratic there will be no selective mining but that it will be a large tonnage, low-cost and low-grade proposition.

Mineable Widths Reported

Development has been principally confined to the Province claim, which has been developed by an adit driven into the mountainside from an elevation of approximately 2,900 ft. above sea level. From this main adit two north and south drifts have been driven, the total underground work to the end of last year being 2,465 ft. in drifts and crosscuts. In addition, 11,646 ft. of diamond drilling was completed.

The development undertaken was to lay out the work geometrically and diamond drill the area between these two drifts, crosscutting the ore bearing formation and also to drill east of the east drift and west of the west drift. In the 1930 annual report Consolidated Mining & Smelting Co. stated that commercial ore over mineable widths was again indicated by diamond drilling, while the drift failed to show any definite ore body and that on account of the irregularity in values and difficulty in correlating results, the test mill was erected.

Smelters Controls

While Consolidated Smelters is reticent about definite results from the test mill, it is known that the mill has served its purpose for which it was built—bulk sampling the ore. Any further programme toward a large tonnage operation will involve a considerable expenditure and whether or not Consolidated Smelters wishes to commit itself at the present time in view of its other large expenditures, is a matter of conjecture. To the end of last year it had advanced $484,-693 toward the development of the property and in that time the Big Missouri Mining Co. had advanced approximately $50,000, both companies being secured by first mortgage bonds on the property. It is also understood that the Big Missouri Mining Co. fell down in its obligation to provide its proportionate share of money for building the mill, and had Consolidated Smelters so desired it was in a position to take a commanding position when Big Missouri Mining Co. defaulted in its obligation.

About this time it was disclosed that about 90 per cent of the common stock in the Big Missouri Mining Co. was held by Canadians and in order to safeguard their interests, Smelters insisted and obtained increased representation on the Big Missouri board of directors and today controls its policies. While actually only three Canadians are on the present board, all nominees of the Consolidated Mining & Smelting Co., two other directors are in sympathy with Consolidated Smelters plan. Under the laws of the State of Washington, where the Big Missouri Mining Co. obtained its charter, it is understood that the majority of the directors must be residents of the United States. This precludes Smelters having a greater representation on the board.

The result of the reorganization of the directorate of the company is a more harmonious working alliance that will work out for increased benefit of the Big Missouri shareholders.

Whether or not plans for the new large mill will be proceeded with is now regarded as more a question of finances than the potentialities of the property. Large stockholders close to the Smelters group are known still to be holding their shares.

Economists' Sad Words Fail to Bring Gloom To Gold Mine Heads

"All Favors Us," Says One Leading President

PRODUCERS PROFIT

Premium on New York Funds Currently Makes Gold Mines More Prosperous

Sober reflection upon Great Britain's action in suspending the Gold Redemption Act has led to more discussion of the theory that this event marks the beginning of the end for the gold standard throughout the world.

The continued selling of the leading gold stocks can be partially explained by the necessitous character of the liquidation going on in all the stock markets, but it cannot be entirely explained in that manner. Brokerage cables from England this week state that some shrewd British brokers regard the gold stocks as a sale, that most countries of the world will be out of the market for gold for many years, that they will in the future base their currency on something other than gold and that gold is to become a commodity rather than a prime standard of monetary values. How widely this theory is held is not ascertainable and what is the considered viewpoint of the inner circles of the British and continental bankers is even more obscure. In any event the theory is one that finds no acceptance in Canadian circles or among the more conservative economists. But whatever the extent of the acceptance of the theory, it is at the moment helping to depress Canadian gold mining shares.

Present Position Improved

Economists who take the long range view and who do not rush into print "on the morning after" to interpret the effect of every large scale development in the present world crisis continue to feel that gold will remain as the basis of the world's currency. If this finally proves to be the truth, the position of the gold producing companies in Canada has been improved by recent events.

Certainly the position of the Canadian gold stocks has been immediately strengthened for, as the Canadian dollar continues to sell fractionally downward in New York, the premium which Canadian gold mines obtain for their product increases and if the Canadian dollar were to sell at 80 cents they would be even more satisfied than they are at present for it would give them a bonus of $1 in every $5 for the gold they produce. As it is, at the present time, they are getting a bonus now of about 10c. on each dollar of their production. This 10c. does not mean a mere 10 per cent increase in profit, for it is 10 per cent, not of their net profit, but of their gross production. And so, at least, Canadian students of the gold mining stocks are more convinced than ever that economic conditions that are causing distress to nearly every other group of producers the world over, are continuing to develop in their favor.

The president of one of Canada's chief gold mines said this week: "Don't let these economists fool you; everything that has happened recently has been a bullish card for the gold stocks."

Gold to the Rescue

Contrary to reports that were published last week, the Canadian mint at Ottawa is paying in the equivalent of New York funds for all gold delivered to it. The gold mines are getting the premium on the New York Exchange for whatever they ship, whether they send it direct to the United States or Ottawa. As a matter of fact, all of them are shipping their gold to Ottawa and thus co-operating with the Canadian Government in attempting to bring about some stabilization in exchange. At the current rate of production, over $1,000,000 a week in gold is being shipped. There have been some shipments of gold from Canada to New York of late, but they have not had the purpose of draining Canada's gold reserves, for this $1,000,000 of new gold coming into the possession of the people every week makes it possible to ship $1,000,000 a week to New York without reducing Canada's reserves. It is felt that gold alone will be a very important factor in raising Canada's exchange position.

Just how important a premium of ten per cent on New York funds is to the Canadian gold producers is realized when it becomes interpreted in terms of increased profits on operations. At the present time Canada is producing gold at the annual rate of over $56,000,000. At an exchange rate of ten per cent this means an increased value of $5,600,-000—more than the value of the gold Canada produced prior to 1897.

Among Canada's dividend-paying gold producers the subjoined tabulation shows what a ten per cent premium would amount to in terms of increased value, percentage increase in profits and in terms of earnings per share. If such a rate was to prevail for a year at the current rate of production, with costs based on those shown in the last fiscal period, the following increases would be in effect:

Mine	Estimated Prod. 1931	Gross increase in value & net profit	Per Cent increase in profit	Profit per share increase
	$	$		$
Dome	3,535,000	353,000	33%	0.37
Hollinger	9,725,000	972,500	30%	0.20
McIntyre	5,240,000	524,000	42%	0.66
Lake Shore	10,250,000	1,025,000	20%	0.50
Teck Hughes	6,850,000	685,000	18%	0.12
Wright-Hargreaves	3,000,000	300,000	33%	0.05
Premier	1,500,000	150,000	60%	0.03

Estimated gold production in Canada for 1931, $55,750,000.
Exchange at rate of 10 per cent on above production, $5,575,000.

It will be observed that there is considerable spread between the percentage profits of the various producers. The lower grade the ore treated, or the lower the ratio of the profit per ton to the recovery value, the more apparent is the exchange profit.

This has had the effect of making available ore that would not otherwise be profitable and so expands the potential ore reserves of the various properties, just as the converse, low operating costs, expands ore reserves.

How far-reaching this premium factor will be in the development of new low-grade properties will be governed by the rate that prevails and by the probable length of time it is likely to be enjoyed. It is known several large tonnage, low-grade ore bodies are being favorably considered for development. Stimulated by a premium, an impetus is given that may more than ever attract United States capital to the development of Canada's gold properties and so increase Canada's importance as a gold producer.

B.C. Gold Property Has Interest Revived

Hillside Mining Co., owning the California group of gold mining claims under lease and bond, is attempting to finance that it may build a mill.

The property is situated on the northeastern slope of Toad Mountain, about three miles by road from Nelson, B.C. There are nine claims in the group but the principal work has been done on the California, known for 30 years past, which between 1908 and 1922 shipped some high-grade gold ore to the smelter.

Early in September a portion of the property was optioned to the American Smelting & Refining Co., which assures that it will be quickly and thoroughly explored.

CAMBRO-KIRKL'D IS TO DISTRIBUTE BIDGOOD SHARES

Basis to Be One Bidgood For Each Twelve Shares of Cambro-Kirkland

Shareholders of Cambro-Kirkland Mines are in receipt of official notice calling a meeting for October 5 to approve distributing the assets of the company to its shareholders.

In July the directors decided that it was in the best interests of the company to distribute the assets, and it is proposed that the holder of each twelve shares in the company will receive one share of Bidgood Consolidated Mines. The principal assets of the company consist of 1,000,000 shares of old Bidgood Consolidated Mines stock received in June, 1929, for the sale of its property to Bidgood. These 1,000,000 shares, however, were transferred into 200,000 shares in accordance with the reorganization of Bidgood, late in 1930.

The distribution to Cambro-Kirkland shareholders, if and when made, will be carried out through the Union Trust Co., 105 Victoria Street, Toronto, registrar and transfer agents of the company.

TAR SANDS PLANT TO BE INCREASED

Current Production is 20 Barrels of Bitumen Daily

The test plant of the International Bitumen Co., located at the tar sands on the Athabaska River, 50 miles north of Fort McMurray, Alberta, is producing 20 barrels of dry bitumen a day, according to advice from Edmonton.

Changes in the de-hydrating plant are planned during the coming winter, which will increase the capacity to close to 200 barrels daily.

After five years of experimental work the company started commercial operation in August last, and has been running steadily since.

Production is freighted by boat to Waterways and there transferred to railway cars.

Separation of the bitumen from the tar sands is done by steam, an operation of about three minutes, but the de-hydrator requires six hours to remove the water and dirt. Improvements in the de-hydration system are expected to cut this time down.

Production will be continued until about the middle of October, but a crew will remain during the winter to get wood fuel for next summer's operations.

A total of $150,000 has been expended in proving the field and setting up the plant, which has been financed by Chicago interests.

The company has 10,500 acres of tar sands leased from the Government.

Quebec Mineral Report

Official report on mineral production in Quebec for August, 1931, showed 26,335 oz. gold, 46,408 oz. silver and 5,620,811 lbs. copper was produced.

ALBERTA AREAS SOURCE OF OIL AVOWS ENGINEER

Fundamental Features Present Delimiting Domes Now Under Way

In a recent issue of the California Oil World, a weekly periodical devoted to the interests of the industry, Glen M. Ruby, president of the Nordon Corp., reviewed the possibility for oil in Alberta, and outlined the activities of his company as well as others in proving up its potentialities.

Excerpts from Mr. Ruby's article read as follows:

It is of interest to note that all of the old fields of the world are located in and around marine, sedimentary basins. Likewise, no such geological feature, when the marine sediments contain, at a drillable depth, reservoir rocks, such as sands or porous limestones, has failed to produce a series of fields when adequately prospected.

The Alberta Syncline has been known for many years and recent geological studies of surface rocks and a few deep well samples have determined definitely that it is a marine basin having its own peculiar sedimentation.

The Turner Valley field, some forty miles southwest of Calgary, is the only commercially important field in Canada.

Several other wells have been drilled in the foothill belt but were either located off structure or failed to reach their objective — in most cases, after drilling to considerable depths, they have been abandoned in a formation younger than that in which they spudded.

Until geologists reach a better understanding of structural problems in this belt, prospecting will remain hazardous.

The gentle, mid-continent type folding, in which prospecting offers greatest chances of reward, lies between the arch and limits of practicable drilling nearly a hundred miles northward from the international boundary.

These fields show very little, if any, closure, but they are, nevertheless, commercially productive and indicate definitely that the sediments are oil bearing and that reservoir rocks exist. The prospective territory in Alberta is covered with a thick mantle of glacial drift and only along the deep cut banks of the major streams are there any exposures of stratified rocks. An extensive programme of "post holing" or drilling comparatively shallow holes through the drift into marker beds, was completed before the present known system of domes was discovered.

Had the presence of domal structures been indicated from surface exposures there would no doubt have been extensive prospecting in the past, as several "hit and miss" locations have been drilled farther east in Alberta where no visible signs of structure are to be seen. Every one of the wells which was drilled below the base of the upper Cretaceous encountered oil shows, in spite of the absence of favorable structure, thus indicating that these formations are oil bearing.

No properly located wells have ever been drilled on the gently folded east limb of the Alberta syncline, as the geology of the district has only recently been worked out. Depths still vary between 4,000 ft. and 6,000 ft. to test adequately the lowest horizons known to be oil bearing in southern Alberta and northern Montana. One small field was recently discovered northwest of the Kevin-Sunburst field. It is known as the Red Coulee, or Border field and lies on both sides of the international boundary. It shows no closure, but is, rather, a terrace on a northward plunging anticline and covers about a square mile.

To the north and west of this field are the domes which have been determined by core drilling. Two of them are now being tested but neither well has yet reached the first sand of the lower Cretaceous.

The Hudson's Bay Oil & Gas Co. well near Keho Lake, 15 miles north of Lethbridge, is within 200 ft. of this sand and fighting cavey shale. This well encountered approximately 60 bbls. of 33 gravity black oil per day in a sandy zone of the Benton Shale at 3,700 ft., about 1,000 ft. above the lower Cretaceous sands. It is the first record of production from this zone in the region.

The second well is being drilled by the Prairie Oil and Gas for Prairie and Nordon Corp. jointly, and is located twenty miles west of the Border field and six miles north of the international boundary. It will be about 1,000 ft. shallower than the Keho Lake well, but was spudded at a much later date and has not yet reached the sandy shale which yielded the 60 bbls. shown in the Keho Lake well.

Bearing in mind that the Alberta Syncline is a type of marine, sedimentary basin, which appears to be necessary to the existence of oil pools; that one proven field and numerous seepages exist on the western limb; and that the Border and Northern Montana fields are at its southern extremity, it would appear that chances of finding oil elsewhere in the basin are almost entirely a matter of proper structural conditions. The domes which were discovered by recent structural drilling appear to be more favorably situated on the flank of the synclinal basin, so far as migration and accumulation of oil is concerned, and are not only larger but show considerably more closure than any of the Montana fields.

That development would result in the event of discovery is practically certain, as Canada is almost entirely dependent upon the United States and South America for her crude oil supply and freight rates are a barrier which makes the local price of crude very attractive.

Ore Receipts at Trail

Following is a statement of the ore received at the Trail smelter for the period Sept. 8 to Sept. 14, inclusive, and for the year to date:

	Period 1931	to date
Bell, Beaverdell	49	1,433
Butcher Boy, Carmi	..	33
J. A. Carter, Zwicky	..	9
Catherine, Nelson	..	16
Copper Bain, Princeton	..	21
Highland Lass, Beaverdell	..	151
Kerr, Wukusko	27	27
Knob Hill, Republic	..	549
Little Daisy, Silverton	..	2
Midnight, Rossland	..	65
O'Brien, Cobalt	..	339
Planet, Nicola	..	105
Redmond, Republic	..	38
Ruth, Sandon	..	163
Sally, Beaverdell	..	111
Silver King, Tulameen	..	27
Silversmith, Sandon	..	153
Union, Lynch Creek	70	1,262
Wellington, Beaverdell	51	503
Wilcox, Ymir	..	48
	146	5,058
Total custom ore, week		146
Total company ore, week		8,575
Grand total, week		8,721
Total custom ore, yr. to date		5,058
Total com'y ore, yr. to date		328,368
Grand total, year to date		**333,426**

Bobjo Stakes In Great Bear Explore Later

Robert J. Jowsey, president of Bobjo Mines, has just returned from a trip into Great Bear Lake where he staked mining claims in interest of the company.

While the claims have been staked in the new area, very little is known about them, since it was desired to get out of the area before the freeze-up, which left but little time for more than staking.

Since suspending operations on the original development, which in the Patricia district prompted the formation of the company, it has been the objective of its directors to conserve its resources and acquire a property of merit. To this end numerous properties have been examined, but none have been retained. Early in 1930, however, the company assisted in the financing of San Antonio Mines and today is substantially interested in that company. It also has a minority interest in the Great Slave Lake Mining & Exploration Co., organized by Mr. Jowsey and his associates to explore in the western and northwestern part of the Dominion. Bobjo Mines also has an option to increase its holdings in this company if developments are encouraging.

CASEY MOUNTAIN REPORTS ON ORE; AVERAGE IS $20.80

Test Mill is in Operation on Patricia District

Shareholders of the Casey Mountain Operating Synd. are in receipt of an official report of operations at its gold property in the Clearwater Lake area of the Patricia district Ontario.

The report in part is as follows:

"The vertical, two-compartment shaft has been sunk to a depth of eighty feet, and a cross-cut driven to the vein at the 75 ft. horizon. The vein was encountered 85 ft. east of the shaft, and at this point has an average width of 4.3 ft.

"The structure of the vein at this horizon, which is approximately 100 ft. below the outcrop, along the dip of the vein, is similar to the section on the surface, about 25 ft. north of the test pit.

"Underground sampling of the vein in the north wall of the cross-cut gave $8.80 over 3.1 ft., while the south wall of cross-cut gave $27.55 over 5.5 ft. or an average value of $20.80 over 4.3 ft.

"Both walls of the cross-cut were slashed at the vein intersection and drifting north and south begun. At a distance of 8 ft. north of the centre of the cross-cut the vein has a width of 3.6 ft., and 5 ft. south of the cross-cut the width is 5.9 ft.

"At the present time the test mill is in operation, and the large samples of the ore are being assayed."

BLAST FURNACES RECORD NEW LOW PIG IRON OUTPUT

About One-third Capacity in Service During August

Production of pig iron in Canada dropped to a new low level in August when it amounted to 23,212 tons as compared with 40,303 tons in July and was the smallest tonnage reported for any month since December, 1924.

Charges during the month included 38,845 long tons of imported iron ore, 11,416 short tons of limestone and 24,799 short tons of coke. Of the limestone, 5,693 tons were mined in Canada and of the coke 23,509 tons were carbonized in Canada from imported coal; the balance of the coke and limestone was imported.

Three furnaces were in blast on August 31. These active furnaces had a daily capacity of 1,350 long tons per day or about 32 per cent of the total capacity of all the iron blast furnaces in Canada. Of the furnaces operating one was in Hamilton, one in Port Colborne, Ont., and one at Sault Ste. Marie, Ont. In addition to these, two furnaces, one at Sault Ste. Marie, and one at Sydney, N.S., were banked. The capacities of these banked furnaces are 850 tons per day.

For the eight months ending August 31, the cumulative production of pig iron in Canada totalled 362,737 tons as compared with 573,321 tons in 1930 and 730,871 tons in 1929. The production this year included 275,612 tons of basic iron, 60,004 tons of foundry iron, and 27,121 tons of malleable iron.

WESTERN QUEBEC GEOLOGY COVERED

New Bulletin By Geological Survey on Ore Deposits

The Geological Survey of Canada has issued a report on the gold and copper district of Western Quebec lying between the Ontario boundary and Bell River, under the title of "Geology and Ore Deposits of the Rouyn-Harricanaw Region, Quebec."

Particular attention has been paid to the economic section of the volume. Detailed descriptions of all the more important ore deposits are given, and other geological, structural peculiarities. The important copper deposits have been made the subject of a special study and the descriptions are of particular interest as they have not heretofore appeared in print.

A general map of the region on the scale of four miles per inch accompanies the report.

Copies of the bulletin may be obtained on application to the Director, The Geological Survey of Canada, Ottawa.

Turner Valley Drilling Report

Wells Drilled by Imperial Oil

Progress Report—Week Ending September 25, 1931

Name of Well	No.	Type	Depth Last report feet	Present depth feet	Feet drilled	Remarks
Sterling Pac.	2	R.	4295	4416	121	Drilling in shale.
Lethbridge	1	S.	3712	3738	26	Red shale. Casing cemented on bottom. Standing.

Note: R.—Rotary. S.—Standard.

NORDON GAS WELL TO BE CONNECTED WITH SUPPLY LINE

Negotiations Pending Indicate New Source of Revenue For Co'y

Arrangements are being completed whereby the Buttonwillow well, of Nordon Corp., in the California field, will be connected with the gas pipe line at an early date.

Late in July, following the loss of tools in the well, it was decided to abandon drilling for oil and bring in the well as a gasser since a large flow was encountered in the upper horizons. Other wells in the vicinity are flowing from 5 to 15 million cu. ft. of gas daily, and are connected with the pipe line, and it is estimated that the flow from Nordon's well will be at about the same rate. A pipe line runs within two and one half miles of the property, and negotiations are now nearing completion which call for connection and for the sale of gas at 6 cents per thousand cubic feet. On this basis Nordon will have a gross income from the gas sold, from this well, of from $300 to $600 per day.

Nordon Corp. financed the drilling of this well to a depth of 6,583 ft. in order to prove up this field as geologized by the company's vice-president, C. G. Wills. Although this depth is greater than originally estimated to reach the producing horizon, the company was able to interest the Wilshire Annex Oil Co. to continue drilling to production, or a depth of 7,500 ft., in return for a portion of Nordon's holdings in the area. The losing of the tools finally caused the well to be abandoned, but it is understood that Wilshire plan to start another well in the area.

While the drilling of the Buttonwillow well had an unfortunate turn of events, Glen M. Ruby, president of the company, states with a gas flow of from 5 to 10 million cu. ft., a profit will result on the venture. It is known that the financing of this well made serious inroads into Nordon's liquid position, but it is understood that it has between $25,000 and $50,000 remaining in its treasury and that overhead expenses have been curtailed so as not to exceed its income, principally from royalties.

NEWBEC REPORTS CURRENT ASSETS TOTALLING $31,528

Work Stopped on Copper Prospect Gold Claims Staked Being Prospected

The annual report of Newbec Mines for the fiscal year ended April 30, 1931, shows current assets totalling $31,528, including $29,-137 in bonds and debentures, as against current liabilities of $1,841, or a net working capital of $29,-687. This represents a decrease in working capital as shown in the previous fiscal year as $84,573.

In commenting on the operations at the company's property in the Rouyn area, Quebec, Thos. H. Rea, president of the company, said that the decline in price of copper in April, 1930, about the time the company commenced shipping its ore to the smelter, had made it unprofitable to continue and that the financial position of the company did not warrant the undertaking of any major development programme. After the completion of certain minor operations and diamond drilling it was decided to shut down the operations, which was done in February last.

Following the closing down of the property an examination was made of a number of gold prospects in Ontario and Quebec, but none were acquired.

The company has a mining license on 160 acres in Rouyn township, a gold prospect, on which work is being done at the present time.

High River Oilfields Is in Liquidation

High River Oilfields, incorporated in 1925 to develop potential oil properties in High River-Aldersyde area of Alberta, is in liquidation, with the Security Trust Co. acting as liquidators.

There is no proposal to carry on the company in the future, and all its assets have been advertised for sale, although up to the present time they have not been disposed of.

Amount available for shareholders in the way of dividends depends on the success the liquidators have in disposing of the assets. It is regarded as doubtful whether or not a small dividend will be available for the shareholders after all the liabilities and costs of winding up the company have been paid.

Woodbine Gold Plant Destroyed by Flames

The Woodbine Gold Mining Co., owning a gold prospect lying between the Premier Gold Mining property and the Alaska boundary in the Portland Canal mining district of British Columbia, has had its surface buildings destroyed by fire.

No information is available as to how the blaze started, but the loss is understood to be fully covered by insurance.

Negotiations were recently under way to consolidate the Woodbine and the Premier Extension properties.

Mining Stocks Index

The weighted index number of twenty mining stocks computed by the Dominion Bureau of Statistics on the base 1926=100 was 62.9 for the week ending September 24, as compared with 67.0 for the previous week.

Metal Prices

New York—September 29—
Copper: Electrolytic spot, 7c. lb.
London—September 29—
(Long Ton)—
Copper: Electrolytic spot, £41; future, £42.
Standard spot, £33 10s; future £34 17s 6d.
Tin: Spot, £125; future, £129.
Lead: Spot: £14 7s 6d; future, £14 5s.
Zinc: Spot, £13; future, £13 10s.
Silver: 16⅛d. per ounce.

PEGGED VALUES RESULT IN CALLS FOR MORE MARGIN

Many Brokers Protect Themselves Against Possible Loss Sales

The pegging of prices on a number of stocks on the Canadian exchanges has brought about a marginal situation for investors that had not been anticipated.

Stocks that had been bought by brokers for their clients and carried on a margin from one-third to one-half their value, are at the present time enjoying a more or less artificial market, while the prices are pegged at closing sales on September 19. Although in many cases the prices prevailing on that date are in excess of the purchase price, brokers are calling on their clients for additional margin. This action is primarily prompted by the fear that once the pegging of prices is removed, they will sink to lower levels and it is to margin adequately the accounts against this threat that marginal calls are being made to clients.

While brokers may have agreed to carry accounts for their clients on from one-third to one-half margin, they are privileged to exercise their prerogative and demand additional collateral if it is apparent that there is a need.

The action taken by some of the brokers in demanding additional margin of accounts previously considered adequately secured, is now followed by the majority of the firms. Many houses are known to have experienced heavy losses during the past week, and it is understood that calls were being sent out for additional collateral from every source available to prevent a collapse which might result in suspension from the exchanges.

MAPLE LEAF EARNINGS UP IN LAST YEAR

(Continued from page 11)

986,403 to $1,286,626 excluding $539,515 "due by former officers, less amounts reserved." In the preceding year this amount had been shown at $583,159. This amount may yet be considered in some doubt as the auditors, Riddell, Stead, Graham & Hutchison, state that the accounts have been drawn up after giving effect to the proposed changes in the capital structure which will be submitted for approval to the shareholders at the annual meeting on October 9, and they give their certificate of approval subject to this qualification and "subject to the adequacy of the reserves provided for claims against former officers."

Cash and bank balances are down from $122,153 to $90,422.

The most striking item among current liabilities for many years has been the amount of indebtedness to the banks. On March 31, 1929, the total was $3,314,787 and by July 31 the misadventures of the company brought the banks to the rescue on behalf of their former commitments so that the total rose to $5,925,267. Of this, $2,000,000 was secured by shares of controlled companies while the remaining $3,-925,267 was secured to the bankers by inventories and receivables. The latter amount was reduced during the year under review to $2,579,-118 while the $2,000,000 item remains unchanged, the total now being $4,579,118, a decrease of $1,-346,150.

A study of previous years shows that bank loan totals of this company had run up from $2,656,756 on March 31, 1926, to $3,738,957 on March 31, 1929, or $3,314,787 on the same date after giving effect to the issue of $5,000,000 of 5½ per cent first mortgage bonds. On March 31, 1925, the bank loan total had been $6,929,170, but this was understandable in view of the fact that inventories that year were more than twice as large as usual, reaching $7,406,745.

Accounts payable dropped from $1,513,550 to $275,591 in the year. These drops in bank loans and payables generally would have been much more favorable if it had not been for the price declines in raw materials and products which reduced current assets even more. A price rise would work the other way.

First mortgage bonds outstanding were reduced from $4,897,500 to $4,778,000 during the year and the interests of bondholders were further protected by the pledging with the trustee of Campbell Flour Mills at 5½ per cent first mortgage bonds due 1949 and $750,000 of Hedley Shaw Milling Co. 5½ per cent first mortgage bonds due 1949. The latter subsidiary still has $126,-100 outstanding of 6 per cent first mortgage bonds due 1935. With bond interest accrued, this brings the total bonded indebtedness to $4,949,108.

Investments of the company total $2,235,346 including $1,970,902 shown for shares of controlled companies and $264,443 for other investments and mortgages.

Reserves are Higher

Real estate, plant and equipment as appraised on March 31, 1929, with additions at cost are shown at $6,980,470 and to this is added $1,694,699 for appraised value of leases and contracts, less amount written off. Goodwill and trademarks are shown at $859,401 and deferred charges at $566,673. Changes made in the last two balance sheets indicate a probable policy of gradual reduction of these items.

Reserves against accounts receivable dropped in the year from $361,342 to $184,921, the reserve for depreciation on fixed assets advanced from $343,297 to $612,077 and the amount set apart for contingencies rose from $154,000 to $400,000.

There is no change in the outstanding capital which still remains at 29,300 shares of 7 per cent preferred stock of $100 par value, 25,-000 shares of class "B" no par value and 100,000 no par value common shares. The latter are shown at $1,000,000 instead of $2,000,000 a year earlier. The par value of shares held by subsidiaries is down from $402,300 to $333,580. Dividends of preferred shares were paid to July 18, 1930.

Contingent liabilities of the company include the guarantee of the preferred dividend of Eastern Bakeries, $83,545 customers bills under discount and $7,000 as guarantor.

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What Industrial Leaders Think on Wages

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Canadian Mining News Department Page 20

Vol. XXIV | Member of Audit Bureau of Circulations | PUBLICATION OFFICE: TORONTO, OCTOBER 10, 1931 | 10c a Copy; $5.00 a Year | No. 41

The Nation's Business

How Can Canada Help to End Depression?
Washington and London Begin at Home
We Might Follow

Reconstruction Begins at Home

MOST Canadian eyes are at the moment shifting quickly between Washington and London, trying to watch Mr. Hoover's plan for constructive action to stem the liquidation panic in that country and trying also to prejudge the results and possible consequences of a British election. What happens in London and what happens in Washington will influence very directly our position in Canada and business men are wise to keep themselves informed as far as they are able. But it will be noted that the British government's recent policy has been largely directed to strengthening the British position while the plans that Mr. Hoover has just announced deal more with the domestic than with the international situation. Britain's best contribution to the relief of the economic crisis is to put her own affairs in order. The United States, if it can stop the unravelling of its banking garment by sewing up a few of the dropped stitches will put private and semi-private banking in better shape to create credit that will help other countries.

The contribution that may logically be expected of Canada is the same; to put in order those situations that are largely domestic and within our own control. We cannot single handed end the crisis but we can play an important rôle.

* * *

MR. HOOVER'S plan in brief is to stem the rising tide of banking failures in the United States and to stop the outpouring upon broken security markets of the flood of ordinarily good banking collateral that panic-stricken banks and investors are dumping at any price. This is no way to end depression or deflation but it should help to prevent the mild panic from becoming an intense one and it will undoubtedly provide important relief if not despoiled by politicians or by delay. Mr. Hoover is an expert in flood control and he apparently realizes that he has a job on his hands that is not unlike his Mississippi River control, namely to direct the flow of securities so that it shall not become a turbulent flood tearing at and bringing down financial institutions right and left. His policies are yet to be tested but it may be said that if Hoover's conference had been held two weeks earlier the Montreal brokerage failures could have been postponed and thus possibly averted, for the concerns, whatever the long term causes of their downfall, are immediately the victims of a combination of the Canadian dollar and the panicky rush to liquidity of American banks.

Our bond market, too, has been shaken by the wide-scale American liquidation. If Mr. Hoover can stop this he can give finance a breathing spell to gather strength for the upward climb.

* * *

TURNING to London, it seems obvious that the election is a constructive, because a necessary, move. The temper of the British people is such that no Government can carry on without a popular mandate. The election will be a clear fight—in the main—between the groups that have been ignored by British economic policies in the post-war years—industry and trade and the real workers—and the more radical and theoretical groups, and these, strangely enough include both those who adhere to old shibboleths and those who have brand new panaceas. The election should serve to put in power a Government that knows where it is going and what it is empowered to do. If it is the new National Government some constructive policies for trade recovery may be anticipated. London, like Washington, is starting its reconstruction at home, while keeping an eye on international matters.

That is something for us in Canada to consider; are we doing all we can to bring back prosperity?

* * *

IT IS AMAZING how slowly it is dawning upon the rank and file of the leaders of public opinion in Canada—luncheon club speakers, politicians and newspaper editors, for example—that the economic crisis is very real. The softer adjectives that have been used to describe the economic situation have not helped to stem the tide nor even to avert the growth of a psychology of fear, which is the most obvious symptom of panic. We have evidence of this failure to realize the gravity of our position in the continued demands of various groups for new and expensive public works or other favors to be paid for from public funds; in the continuance of propaganda for "non-interference" in the administration of the Canadian National Railways; even in Prime Minister Bennett's insistence that Canada is on the gold standard when every one of his schemes to restore the dollar has fallen through.

* * *

CONSIDER the Canadian National position, for instance. Many newspapers are trying to arouse unfavorable sentiment against the Government because it has been

(Continued on page 2, col. 5)

NO STATUTE BACKS ORDER ON IMPORTS

But Bennett Acts to Aid Canadian Plants Against Dumping

ORDERS-IN-COUNCIL

Three Passed, One of Which Was Rescinded When Manufacturers Raised Objections

From Our Own Correspondent

OTTAWA.—Out of the confusion caused by the decline of the British pound, the Federal Government has decreed that all imports from Britain shall enter this country on the basis of par value. So far as Canada is concerned, there has been no depreciation of the pound.

While the solution of the British trade problem is fairly simple, the week prior to the decision was one of unimaginable confusion at the Capital. The cabinet was besieged by Canadian manufacturers, chiefly the textile group, for relief from British competition under the depreciated pound. There were three orders-in-council, in all, one of them contradictory of the other two, but the net result has been to steady the importation situation at the expense of importers, to dismiss one set of petitioners and to announce another.

In The Financial Post of last week, the situation produced by the fall of the pound was dealt with, and the statement was made that the depreciation of British currency threw this country open to goods manufactured in all the depreciated currency nations of the world. It was said, moreover, that there was nothing in our statutes to empower the Government to deal with the resultant confusion.

First Order Cancelled

Taking the orders-in-council in sequence, the first of them declared that the value of British goods for duty purposes must be the quoted price at current rates of exchange. In other words, the Government confessed its impotence to correct the situation produced by the fall of the pound.

Immediately there was a drive on Ottawa by the textile manufacturers for immediate action. They were in no doubt as to what the fall of the pound would mean to them.

It appears that the large Canadian departmental stores, and merchandising houses, had got quotations on British goods on the current exchange rates, and had presented these quotations to Canadian textile manufacturers. The quotations were very much lower than the prices in prevailing contracts. In effect, the Canadian buyers said to the Canadian manufacturers, "Meet these prices or we will cancel existing contracts and order from Britain." An answer was demanded within a limited space of time.

The Canadian manufacturers contended that they could not meet this price cut and remain in business, and requested the Government to take suitable action to prevent under-selling from Great Britain. The Government, faced with what appeared to be a crisis, rescinded the first order-in-council and issued two new orders. The first declared that the tariff on British goods should be calculated on the par value of the pound, and the second imposed the dump duty to bring the value up to par.

In taking this action, it is understood, the Government did not rely upon any statutory authority. The orders do not cite any statute. The Government, apparently, considered the situation critical and, regardless of enabling statutes, took such action as was deemed to be in the public interest.

While the manufacturers are quite satisfied with what has been done, the importers are up in arms, and are now demanding that both orders be rescinded. Likewise the Liberal party, under Rt. Hon. W. L. M. King, is attacking the Government's action upon the ground that it is an infringement of the power of parliament, that the Government must confine itself to the statutes.

Meantime, the Government is addressing itself to the problem of dealing with the depreciated currencies of other countries, and further orders-in-council will issue in the immediate future. It is understood that substantially the same policy will be followed in regard to these countries, as was laid down in connection with Great Britain.

Coming in The Post

This week The Financial Post publishes the first of a series of articles outlining the policies of leading Canadian firms in handling the currently important question of wage adjustments. The articles will continue for some weeks and will present many facts and opinions useful for the guidance of business men and leaders of organized labor.

Next week's article will show what has actually been done in many plants.

Coming shortly in The Financial Post is a series of articles on the operations of loan sharks, who prey on white collar workers in a time of depression like the present. The extent of the operations of usurious lenders will amaze many readers as they study the facts that will be presented.

Humberstone Shoe Operates at Capacity

Operations of Humberstone Shoe Co. are understood to be on better than a full-time basis and plant extensions that have been contemplated for some time are still held up due to the rush of business. The present output of the company since the first of the current fiscal year is in excess of that for the same period in 1930.

The quarterly dividend payable November 1 has been increased from 50 cents to 60 cents a share placing the 20,000 shares of common stock on an annual basis of $2.40. Earnings in the fiscal year ended July 31 amounted to $3.47 per share.

At the annual meeting held on October 5, the directors were all re-elected. Prospects for the future were regarded as satisfactory and the company is introducing several new lines of footwear that are expected to command a good market.

BANKERS' CABAL BLAMED FOR FALL OF BRITISH TRADE

Arthur Kitson Criticizes MacMillan Bank Report

A strong condemnation of British post-war banking policy appears in the current issue of the National Review, London, from the pen of Arthur Kitson, British industrialist and writer on economic subjects. Mr. Kitson charges that international bankers have dominated British banking policy to aid in the ruin of British trade and he assails as inadequate the recommendations of the MacMillan commission which recently studied Britain's monetary system. The recommendations of that commission, instead of being calculated to promote commerce and the employment of labor, are, asserts Mr. Kitson, simply that Great Britain should continue to limit her trade and output to the currency facilities which the Bank of England and its international affiliations are willing to provide as heretofore.

Mr. Kitson is chairman and managing director of the Kitson Engineering Company of London. He is known as the inventor of the Kitson light, now used in all British lighthouses. He has written extensively on currency and monetary problems and published in 1918 a criticism of the Cunliffe Currency Committee report.

Awe Felt in Bank

The MacMillan committee report fails to suggest any satisfactory remedy for industrial depression and unemployment because of the belief in the minds of the members of the committee that the present British financial system under the control of the Bank of England is about as perfect as could be devised, says Mr. Kitson.

Mr. Kitson blames currency deflation and the resumption in 1925 of the gold standard for Britain's present economic troubles. He says:

"There is a widespread belief, based upon irrefutable evidence, that the present era of trade depression and unemployment with which this country has been so grievously afflicted for the past ten years, has been the direct result of the policy of currency deflation, inaugurated by the Coalition Government under Mr. Lloyd George and pursued by successive Administrations, culminating in the re-establishment of the Gold Standard under Mr. Winston Churchill's Chancellorship.

"This financial policy is responsible for: (1) The increase in our burden of War Debts, which has added enormously to our burden of taxation. (2) The reduction of the effective demand for goods—by reducing the volume of the public's purchasing power. (3) The reduction of wages and salaries which has further reduced the demand for goods. (4) The destruction of all enterprises. (5) Reduction of the level of prices—in many instances below the costs of production. (6) The ruin of our former stable industries. (7) A vast increase in the unemployed and the number of bankruptcies and suicides. To these may be added (8) An increase in crime."

Same In Other Lands

Similar evils in other countries, particularly the United States and Germany are directly traceable says Mr. Kitson, to similar currency deflation policies pursued in those countries, in accordance with the recommendations of the bankers' conferences instituted by the League of Nations at Brussels in 1920 and in Genoa in 1922 and also by the meetings of the international bankers in New York, London and Berlin.

Mr. Kitson quotes from a speech by Senator Pine, of Oklahoma, who charged that assumption of control of credit policy by a group of big American bankers, headed by Federal Reserve board officials, had put American business in a straight jacket. Mr. Kitson says:

"Last year the Federal Reserve Banks of the U. S. A. contracted their note issues to the extent of over $500,000,000 which involved the contraction of bank credits by more than $6,000,000,000—which was sufficient to create all the industrial disasters and unemployment from which that great country is still suffering."

Lost Power of Initiative

Quoting the opinion of the MacMillan committee that the Bank of England must play safe and not attempt to increase the total volume of credit in Britain, because of international complications, Mr. Kitson says that this means that

(Continued on page 2, col. 6)

PARAMOUNT OPERATIONS SHOW PROFIT

Films Sent to Canada Are Paid for in Canadian Funds

HEAVY PAYMENTS

Obliged to Pay $80 to Buy Own Stock—Banks Aiding and Cash Dividends Omitted

Many holders of Paramount-Publix Corp. stock in Canada will be interested in the news from New York City that theatre receipts have once again begun to take a turn upward. The stock, which the company itself valued in certain purchase contracts at 80, has been down around 14, indicating considerable uneasiness as to the earning position since the company began to pay stock instead of cash dividends.

It is now stated that theatre expenses have been greatly reduced and that the company is operating substantially in the black.

The principal current hurdle is that Paramount obligated itself to buy at $80 a share stock which it used to pay for various properties. The amount necessary to pay for various lots of its common stock on September 1 of this year, December 1, 1931, and April 1, 1932, is about $11,500,000. The company recently increased its bank debt to $8,250,000 to take up the block for which it was obligated in the early part of September. Earnings are on such a basis that it was able to reduce this bank debt by October 1 to $7,400,000. It is expected that in the last quarter the reductions will take the total down to $6,000,000. That is what is normal for this company.

Still $6,500,000 to Pay

In the first quarter of 1932, however, Paramount-Publix will have to pay the remaining $6,500,000 for its purchase of stock. That will be accomplished, doubtless, by increasing bank loans to about $10,000,000 and some excess cash arising from the depreciation, accounts and profits during the first quarter. It is reported that Paramount has more than $18,000,000 of confirmed lines of bank credit to take care of these commitments. Other debts of the company, outside of the stock obligations, are normal, and it is believed to be the policy of the company to reduce bank loans rapidly after these obligations are cancelled.

Though theatre receipts generally in Canada and the United States have been lower than in times of prosperity, Paramount has in part met this situation by the fact that film releases in the last half year have been considerably lower in cost than in the same period a year ago. It is stated that the average negative cost of films released in September, October and November, 1931, is about 20 per cent less than the average cost of releases in the same months of 1930 as a result of production savings made. Other economies in production, distribution and theatre departments will make their influences felt in 1932.

Pays Stock Dividend

By the exchange of shares of Paramount-Publix for shares of Famous Players Canadian Corp. in 1930 on a basis of four Paramount shares for five shares Famous Players Canadian Corp., the company has obtained to date 96 per cent control of the Canadian company. When it had 90 per cent control it was stated that the result of the exchange was that there were 2,600 holders of Paramount in Canada. That makes a large Canadian interest affected by the decision during the last quarter to change from a cash dividend rate of $2.50 a share annually on the common stock to a stock dividend rate of 10 per cent. At present market rates for the stock this constitutes a considerable reduction, but until the company has paid its stock purchase obligations at $80 a share from current obligations and bank loans and reduced the bank loans once again to a

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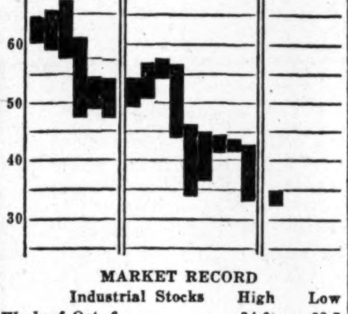
Stock Market

20 INDUSTRIAL STOCKS



MARKET RECORD

Industrial Stocks	High	Low
Week of Oct. 6	34.6	32.7
Week of Sept. 29	35.4	33.8
Month of Oct., 1930	60.7	48.4
8 Bank Stocks		
Week of Oct. 6	216	216
Week of Sept. 29	217	216
Month of Oct., 1930	258	246
10 Public Utilities		
Week of Oct. 6	58	55
Week of Sept. 29	59	57
Month of Oct., 1930	91	80

WRIGHT-HAR. DISCRIMINATES ON DIVIDENDS

Pays South of Line in U. S. Funds and Canadian Funds Here

3,000 FT. LEVEL RICH

Developments Indicate Number of Ore Sections—May Mine as One

Wright-Hargreaves Mines paid a 2½ cents per share dividend on October 1 to shareholders of record September 15. In so doing the company has raised the ire of the Canadian shareholders because the distribution to them was made in Canadian funds while the distribution to the United States shareholders was made in United States funds, at present at a premium of from 10 to 15 per cent.

Canadian shareholders feel that they have been discriminated against, particularly as the funds to meet the Canadian dividend cheques were only transferred to Canada a few days previously, at which time the company reaped full benefit of the exchange.

This act of discrimination by Wright-Hargreaves officials between its U. S. and Canadian shareholders is keenly felt at the present time because last week two mines, Lake Shore and Teck-Hughes, adjacent to Wright-Hargreaves, announced their dividend policies to be to pay all shareholders alike in Canadian funds. In both cases bonuses are to be paid, which compensates for any benefits accruing from the premium gained on the sale of gold.

Say Canadians Prefer Own Funds

Wright-Hargreaves officials told The Financial Post in Buffalo last week that Canadian shareholders had expressed a preference for having their dividends paid in Canadian funds. This, however, was at a time when exchange was not the serious matter it is today.

Wright-Hargreaves is a Canadian company operating with an Ontario charter although executive control rests principally in Buffalo. There is nothing in its charter that stipulates United States shareholders are to receive any preference in dividends; nor are the shares of the company listed on the New York Stock Exchange which would require it to pay dividends in United States funds. Shareholders in Canada feel that it makes little difference whether dividends are paid all in United States funds or all in Canadian funds, but the act of a company, operating in Canada and controlled in Buffalo, in placing United States shareholders in a preferred position, particularly at a time of stressed economic conditions, is regarded as "not playing the game."

The Financial Post endeavored to impress on Buffalo officials at the time of the interview last week, how Canadians would regard such an action regarding dividend payments, but at that time the cheques had already gone forward. Promises have been made to adjust the matter in a satisfactory way by the time the next distribution is due, either by paying all in United States or all in Canadian funds. In the meantime no relief is given for the harm done.

Property Looked Well

Directors have just returned from visiting the property and are impressed with the way the new deep levels are opening up.

In the South vein system, ore opened up on the 3,000-ft. level has given channel assays around $50 to $60 per ton in gold.

About four weeks ago, when the cross cut encountered the first vein in the south vein system, values were given as being well over mine average with widths of from seven or eight feet. Officials now say that the south zone gives evidence of a number of sections, which can probably be mined as one, making for great width.

The south ore zone at the 3,000-ft. horizon is almost directly below the surface outcrop. Development on intermediate levels showed a slight bend to the southward and there was a suspicion that it might go off the property, but as depth was reached, it bent back and at the 3,000-ft. level shows no indication of leaving the property. Only a limited amount of work has been done on the 3,000-ft. horizon but results are highly encouraging. Additions have been made to the surface plant which include a new crusher house and a new head frame. A new 2,500-ft. capacity air compressor has been ordered for early delivery, and this, together with new facilities, will soon bring the mill capacity up to about 850 tons daily.

Earnings Well Up

Although there are heavy equipment and development expenses, current earnings are from 21 to 22 cents per share, as against dividend requirements, without bonus, of 10 cents per share.

With current earnings of over 20 cents per share, and with a ten per cent premium on United States funds, further increasing the profits to close to 30 cents, and with additional milling facilities under way, some idea can be gained as to what shareholders have in store for them in the near future.

Ottawa Action Aiding Dollar Not Expected

Depreciation Hampers Debt Settlement But Not Disastrous

BILLION IN GOLD

Huge Debt Redeemable in United States Eventually But Not Pressing at Moment

From Our Own Correspondent

OTTAWA.—Expected efforts on the part of Rt. Hon. R. B. Bennett, acting minister of finance, to restore the Canadian dollar to par, have failed to materialize, and events, in the financial world, have been proceeding at such a pace that it is not now expected that Ottawa will intervene in the situation for some time to come.

As far as information here goes, and it may be taken as authentic, the Canadian dollar is not likely to rise in value appreciably in the immediate future. Original fears that a depreciated dollar would work great hardship upon this country have faded away. Apart from the difficulties of debt settlement, it is generally believed that the dollar discount is rather an advantage to this country, and that there will be little occasion for worry if it stays at approximately present levels for an indefinite period.

What Premier Bennett Meant

Premier Bennett has reiterated his statement that Canada is on the gold basis, but that statement carried little weight even in the precincts of Parliament Hill. It is believed that Mr. Bennett had in mind saying that Canada intended to conserve her gold reserves, regardless of currency fluctuations. Such an attitude may be understood, even may be accepted as essential.

Refused Canadians Gold

The developments in regard to the $13,000,000 of 1916 war loan bonds, which matured last week, throw a strong light upon the present difficulties of the Government. It appears that these bonds, upon their face, are redeemable in gold. Large numbers of the bond holders demanded gold, but, as far as Canada was concerned, were promptly refused. Those of the bonds which had got into the United States and were presented for payment in gold, were redeemed in gold.

The 1916 bond issue, however, was not unique in being redeemable in gold. It now appears that the bulk of the Dominion, provincial, and Canadian National Railway debt (Government guaranteed) is redeemable both as to principal and interest in gold. Therefore, as this debt matures the Government must be prepared to deliver the gold to foreign bond holders, or default. The debt for which the Federal Government is responsible, redeemable in gold and held in the United States, is probably not far short of one billion dollars. Of course only small parts of it will mature in the coming year, but the drain on the gold reserve will be very severe and interest payments will have to be met.

No Default in Gold

Undoubtedly the policy of gold conservation at Ottawa has been adopted with the bond situation in mind. Whatever else may happen, the Government is determined to prevent any default in gold. And at the moment the predilection of bond holders seems to run toward gold rather than currency.

Natural Gas Franchise Discussed in Regina

From Our Own Correspondent

REGINA.—Word of the proposed franchise for distribution of natural gas in the city of Regina is still under discussion between the city council and the Power Corp. of Canada although most major points have been settled and the matters now in question are considered to be minor ones.

When the agreement is finally completed it will have to be submitted to the ratepayers, and there is general agreement that this is not to be done at the civic elections but either before or after. It is feared in any event that the season is now so far advanced that no great amount of progress with actual construction would be possible before winter.

Business Leaders Give News, Views On Wage Question

Heads of Leading Industrial Corporations in Canada Tell What is Happening to Wages and Salaries in Their Own Plants

OVER ONE HUNDRED FIRMS QUERIED

Only One-third Have Made General Wage Cuts; Fifty Per Cent Have Made Wage or Salary Adjustments; Average Cut is 10 Per Cent; Next Few Months Considered Critical Period

ARTICLE ONE: What Canadian Business Men Do and Feel About Wages

That chief executives in Canada's leading industrial and mercantile corporations consider the wage problem the most important now facing Canadian business, but that only about 50 per cent of them have taken actual steps to reduce wages and salaries as yet, are important conclusions to be drawn from a nation-wide survey conducted by The Financial Post to find what leading Canadian firms had done in this regard.

The Financial Post sent a personal letter to the chief executives of over 100 of the most important industrial firms in Canada whose total assets (exclusive of transportation companies) exceed $4,500,000,000. Over 60 per cent of these business leaders have given, in confidence, complete details of what has been done in regard to wages and salaries in their particular companies, while an equal number, representative of practically all the major industries of the country, have given their personal views on this matter, which The Financial Post plans, in this and succeeding articles, to summarize and publish. This survey, the first of its kind undertaken at this time in Canada, will therefore give a valuable cross-section of the opinions which Canadian industrial leaders hold on the question and that is of such first-rate importance to both executives and employees at the present time.

Many Plans Submitted

In addition to actual data regarding wage and salary adjustments, The Financial Post survey has also brought out valuable information regarding the extent of the five-day week in industry; the use and curtailment of bonus systems; the opinion of business leaders as to the respective merits of lower wage rates and reduced hours of work in lowering manufacturing costs, and an explanation of various ingenious plans which have been evolved to reduce costs of production without a general wage cut.

Although as already noted, approximately one-half of the firms replying to the request for information, have made some wage or salary adjustments, it is important to note that only one-third of the total have made general wage cuts affecting all wage-earning employees and that for the most part these have only been made within the past few months. In some special cases cuts were made in 1930, the earliest for which a definite date is given being July, 1930. In practically all cases where cuts have been made they have been approximately ten per cent.

No Public Utility Cuts

As to what industries have been affected, the survey would indicate that with few exceptions wage or salary adjustments have been made right across the industrial front. The most notable exception to this is the case of public utilities, replies from a substantial number of firms indicating that this group is as yet virtually immune from either wage or salary cuts. As J. S. Norris, vice-president and managing director of Montreal Light, Heat & Power Cons., puts it:

"Unless business conditions become worse it is unlikely, in my opinion, that the men employed in the light and power industry will have to suffer any reduction in wages or salaries for the reason, first, that there are comparatively few workers (having regard to the size of the industry) and second that the industry has not been hurt to the same extent as others in the present depression."

Another public utility executive operating a different branch of this industry finds it difficult to give any personal opinion as to what may have to be done but believes that if conditions do not get any worse than they are, his corporation can also carry on, but if not and the trend is till downward, "We will obviously have to take steps to inaugurate further economies

(Continued on page 2, col. 6)

CANADIAN CAR WILL PRESENT GOOD REPORT

Earnings on Common Likely Approximate Dividends

MAY REDEEM STOCK

Request for Approval to Buy Preferred Viewed as Constructive Policy

From Our Own Correspondent

MONTREAL.—Though earnings of Canadian Car and Foundry Co. in the fiscal year ended September 30 have shown contraction compared with the previous year it is expected that the preferred dividend will be fully earned. Whether the disbursement on the common stock will be fully covered remains to be seen; indications are that if profits have fallen somewhat short they will not be far below the $525,000 which has been paid in dividends on the common shares.

This may be considered an encouraging showing in face of the lower rate of activity which has been prevalent in the railroad equipment industry in the past few months. It is understood, however, that Canadian Car has been successful in diversifying its output and the volume of miscellaneous business undertaken has been satisfactory.

High Yield on Common

The present price of the common shares which give a return of 28 per cent indicates that investors view the prospects of maintenance of dividends at the present rate with some doubt. The position of the preferred has been rendered more encouraging by a recent statement of President Butler, who remarked that unless conditions became much worse safety of the preferred dividend was assured.

The outlook for the common stock has been strengthened by a recent decision of directors whereby they will seek shareholders' approval to allow the company to purchase its own preferred stock at prices not exceeding $25 a share. Shareholders will meet on November 2 to discuss, and if advisable, authorize application for supplementary letters patent covering this policy.

Effects Far Reaching

The effects of such a move might be far-reaching and in it some see the eventual retirement of the whole issue of $7,500,000, 7 per cent preferred, which at present is non-callable. At market levels of around 14¾ the preferred gives a return of over 11 per cent; the company's strong cash position would allow it to make any purchases necessary with ease.

If stock can be purchased at current levels, wide savings to the company are apparent. At the present time dividend requirements on the preferred total $525,000 annually, while the $7,500,000 of preferred today has a market value of about $4,200,000.

Strong Cash Position

The company's balance sheet as at September 30, 1930, showed cash, call loans, government bonds and other investments of over $5,000,000 but what changes, if any, the forthcoming balance sheet will reveal have not been disclosed.

Redemption of the preferred, if it comes to pass, will be in line with the company's former policy whereby all bonds were redeemed leaving the capital stock the sole charge against the property. In 1929, funded debt of Canadian Car and subsidiaries amounted to $4,764,599 but by the issuance of stock rights the company received sufficient funds to redeem all this funded indebtedness.

May Redeem Preferred

In the same way, the new by-law which shareholders are being asked

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